



Arizona Department of Corrections  
1601 Jefferson, Mail Code 55302  
Procurement Services  
Phoenix, AZ 85007

Dear Sir/Madam:

Keefe Commissary Network values the relationship we have developed with the Arizona Department of Corrections over the last six years and appreciates the opportunity to submit our proposal for Solicitation number ADC01100000632– Commissary Services. As the leading commissary provider, our experience both specific to the State of Arizona and across the country provides us the expertise necessary to offer the absolute best combination of service, commission, and efficiencies as well as new revenue generating technologies and products.

Many providers may boast that they are the “leading commissary provider”, but only one can support it. When considering the size and complexity of your state’s operation, experience is a crucial part of the decision process. Keefe Commissary Network currently services all nine outsourced State DOCs and over 200,000 State inmates nationwide. Overall, Keefe Commissary Network services over 510,000 inmates nationwide on a weekly basis. Evolving with the ADC through the life of the current contract has led to what is today an extremely successful and efficient full service off-site bag and drag operation. From filling orders in our totally secure off-site warehouse to staffing on-site and distributing commissary orders at each of the State’s facilities, Keefe has worked with the State at every turn to improve service and sales and generate revenue for the ADC. We are proud of our record and encourage you to contact our references. When it comes to industry leading solutions and expertise, there is no better choice than Keefe Commissary Network.

We are excited about the opportunity to extend our existing successful partnership with the State of Arizona. As the current provider, Keefe Commissary Network has a unique understanding of the intricacies of each and every facility. Keefe Commissary Network has remained flexible to the needs of the Arizona Department of Corrections and adjusted to individual facility requests. We have seen our partnership grow from experienced warehouse staff and accurate order fulfillment to inventory and products; from shipping and receiving to delivery methods and reporting. If selected, Keefe Commissary Network will continue to provide ADC with uninterrupted industry-leading commissary services and remain dedicated to the ADC every need.

Along with an offer to increase commissionable return, the addition of the Securepak program will provide new industry leading products and serve inmates family and friends wishing to purchase gifts for loved ones. Our industry leading MP3 program is currently enjoyed by ten DOCs (100% of the programs) across the Country. Adding these services further discussed in our proposal and continuing to enhance the existing commissary operation will directly translate to additional revenue streams not previously experienced.

Thank you for your consideration.

Best regards,

A handwritten signature in black ink, appearing to read 'Jim Perry', written over a circular scribble.

Jim Perry  
Regional Vice President  
Keefe Group



## Executive Summary

The following is a brief summary of the contents of this proposal. Keefe Commissary Network (KCN) looks forward to continuing our successful partnership with the Arizona Department of Corrections.

- Keefe Commissary Network's **staff** has established knowledge and specific experience for six years with the unique requirements of the Arizona Department of Corrections. Additionally, we were chosen independently of the existing ADC contract and currently provide services to **all of the in-state private prisons** included in this RFP.
- **KCN has been selected by all nine of the privatized State Department of Corrections commissary operations nationwide.** These DOC partners **encompass over 200,000 inmates.** All totaled, we service nearly 500,000 inmates nationwide.
- KCN has provided nine State Department of Corrections references. These partners will attest that KCN has been selected over all other providers in competitive bid situations and enhanced service and sales, directly relating to overall satisfaction and commissionable return.
- Keefe has **over 35 years of experience** in serving the correctional commissary industry.
- Keefe and KCN currently operate **16 distribution centers** totaling over **1,500,000 square feet**, shipping over 18 million pounds of inventory per month, and carrying over **\$80 million in inventory daily.**
- KCN has proposed a full-service **OTC process** that supports maintenance of essential stocking levels at identified on-site locations, collection of documents from medical units for OTCs that were distributed by nursing staff; restocks the on-site location's inventory and bills the inmate for product received.
- Keefe Commissary Network has addressed the Department's request that **indigent supplies** be provided by the Contractor and handled in accordance with Department Order (DO) 905.
- Keefe Commissary Network is dedicated to partnering with the ADC to improve service and finding new ways to increase revenue while keeping pricing to the inmate reasonable and setting the standard for inmate service.
- KCN has offered additional services outside the scope of this RFP to increase sales and save staff time. These include: inmate deposit services, secure electronic inmate mail a debit card release system and MP3 capabilities.

Keefe Commissary Network has provided the following estimated financial breakdown should we be selected as the preferred provider.

**Commissary Sales of \$34,000,000.00 \* 16% = \$5,440,000.00 return to ADC**

**Securepak Sales of \$2,800,000.00 \* 16% = \$448,000.00 return to ADC**

**MP3 Sales of 4800 players \* 16% + 576,000 songs \* \$.15 = \$170,400.00 return to ADC**

**PLEASE NOTE: This is a first year estimate of MP3 sales. Estimates indicate that revenue will grow each year and are projected to be more than double in year five of contract.**

**Total annual revenue = \$6,058,400.00**

Should questions arise, or should the Department wish to modify any aspect of this proposal, KCN will gladly discuss.

**1 SPECIAL TERMS AND CONDITIONS**

**1.1 Purpose**

1.1.1 Pursuant to provisions of the Arizona Procurement Code, A.R.S. §41-2501, et. seq., the State of Arizona, Department of Corrections, hereafter known as the Department intends to establish a Contract for Commissary Services for all Arizona Department of Corrections Institutions and all In-State Private Prison Facilities. Proposals from qualified Offerors shall be accepted for the purpose of selecting a Contractor to provide Commissary services as specified herein.

Keefe Commissary Network is the leading provider of commissary products and services to the correctional commissary industry. In addition to our national experience and qualifications, our six year partnership has demonstrated we are not only capable of complying with, but exceeding, what is required to provide full service commissary operations for the Arizona Department of Corrections Prison Institutions and the In-State Private Prison Facilities.

1.1.1.1 The Department reserves the right to add or delete Prison Institutions/Facilities and service locations relative to this Contract as determined by the Department.

Keefe Commissary Network accepts the Department's right to add or delete Prison Institutions/Facilities.

**1.2 Pre-Proposal Conference**

1.2.1 A Pre-Proposal Conference shall be held on May 13, 2011 at 10:00 A.M., M.S.T. at the Office of Procurement Services located at 1645 W. Jefferson, 4<sup>th</sup> Floor, #4401, Phoenix, Arizona, 85007.

1.2.2 Vendors are asked to limit the number of persons attending to four each from a company. This will allow sufficient space for the meeting at the location identified above. Vendors attending should provide confirmation within 5 days prior to the meeting by faxing their Company names and attendees to Christina Jimenez at (602) 364-3790.

Keefe Commissary Network has attended the Pre-Proposal Conference held on May 13<sup>th</sup>, 2011.

**1.3 On-Site Inspections**

1.3.1 An on-site inspection shall be held at each selected facility on the date and time designated below in sub-paragraph 1.3.5. The purpose of this inspection is for the visual evaluation and familiarization with the institutions prior to submitting a proposal. All potential Offerors are encouraged to attend. No further on-site inspection shall be held at any other time unless instructed by the Department through a formal solicitation amendment.

1.3.2 On-Site Inspection attendees must comply with Department Order #503,

Employee Grooming Standards. A copy of this Department Order can be found on the Department's website at [wwwv.azcorrections.gov](http://wwwv.azcorrections.gov).

- 1.3.3 Contractors are asked to completely inspect the project site prior to submitting a proposal in order to determine all requirements associated with the RFP. Failure to do so shall not relieve the successful contractor from the responsibility of providing all services awarded that were identified within the RFP and that may be required to carry out the intent of the resulting contract.
- 1.3.4 Prospective offerors wishing to attend on-site inspections shall **fax** the following information no later than 5:00 p.m. M.S.T., May 13, 2011, to Offender Operations, ATTN: Caroline Haack, Contract Liaison at (602) 542-1728: Name of person(s) attending, social security number(s) and date(s) of birth. No more than 4 persons from each company shall be allowed to attend the on-site inspections.

On-Site attendees failing to obtain security clearance and/or to comply with the non-uniformed personnel grooming, dress standards, shall not be admitted into the facility

**1.3.5 On-Site Inspections are as follows:**

<b>ASPC— Douglas/Papago</b>	<b>8:00 a.m., May 18, 2011</b>
<b>ASPC- Douglas</b>	<b>10:00 a.m., May 18, 2011</b>
<b>ASPC— Safford/Ft. Grant</b>	<b>10:30 a.m., May 19, 2011</b>
<b>ASPC- Safford</b>	<b>2:00 p.m., May 19, 2011</b>
<b>ASPC - Florence/Globe Unit</b>	<b>10:30 a.m., May 20, 2011</b>
<b>ASP-Florence West (Private Prison Operated by GEO)</b>	<b>2:00 p.m., May 20, 2011</b>
<b>ASP-Central AZ Detention Ctr (Private Prison Operated by GEO)</b>	<b>3:30 p.m., May 20, 2011</b>
<b>ASPC Eyman</b>	<b>8:00 a.m., May 23, 2011</b>
<b>ASPC — Florence</b>	<b>8:00 a.m., May 24, 2011</b>
<b>ASPC-Florence/Picacho</b>	<b>9:00 a.m., May 25, 2011</b>

<b>ASP – Marana Community Treatment Facility (Private Prison Operated by MTC)</b>	<b>12:30 a.m., May 25, 2011</b>
<b>ASPC – Tucson</b>	<b>9:00 a.m., May 26, 2011</b>
<b>ASPC Phoenix</b>	<b>12:00 p.m., May 27, 2011</b>
<b>ASP – Phoenix West (Private Prison Operated by GEO)</b>	<b>3:30 p.m., May 27, 2011</b>
<b>ASPC-Perryville</b>	<b>8:30 a.m., May 31, 2011</b>
<b>ASPC-Lewis</b>	<b>9:00 a.m., June 1, 2011</b>
<b>ASPC –Yuma</b>	<b>10:00 a.m., June 2, 2011</b>
<b>ASP -Kingman (Private Prison Operated by MTC)</b>	<b>1:30 p.m., June 3, 2011</b>
<b>ASP -Kingman (Private Prison Operated by MTC)</b>	<b>1:30 p.m., June 3, 2011</b>
<b>ASPC — Winslow</b>	<b>10:00 a.m., June 6, 2011</b>
<b>ASPC -Winslow/Apache Unit</b>	<b>4:00 p.m., June 6, 2011</b>



Keefe Commissary Network representatives were present at all of the on-site inspections designated in sub-paragraph 1.3.5. As the current provider, Keefe Commissary Network has unique understanding of the intricacies of each and every facility and makes every effort to adjust to each individual and specific need. Keefe Commissary Network is committed to continued customer service and flexible to the changing needs of the ADC.

Additionally, the existing knowledge and familiarization we have with all of your institutions has allowed us to provide the department with a proposal that not only meets, but exceeds expectations for service, quality and value.

1.4 Term of Contract

1.4.1 The term of any resultant Contract shall commence on the date of award and shall continue for a period of five (5) years thereafter, unless terminated or canceled, as otherwise provided herein.

1.4.1.1 This Contract is expected to commence with the expiration of the current Contract in effect through October 1, 2011.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Term of Contract". KCN would be willing to extend past the five year term noted above should the State be interested.

1.5 Authority to Contract

1.5.1 This Contract activity is issued under the authority of the Arizona Department of Corrections, Chief Procurement Officer. No alteration of any portion of the Contract, any items or services awarded, or any other agreement that is based upon this Contract may be made without express written approval of the Department in the form of an official Contract amendment. Any attempt to alter any documents on the part of the ordering agency or any Contractor is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to legal and Contractual remedies available to the State inclusive of, but not limited to, Contract cancellation, suspension and/or debarment of the Contractor.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Authority to Contract" of RFP ADOC11-00000632, Commissary Services.

1.6 Proposal Format

1.6.1 The proposal numbering sequence must be in accordance with the Solicitation document. All proposals, shall contain all descriptive literature, specifications, samples, etc. The Department has provided the format that the pricing offered shall be identified on. Please refer to the Commissary Price Sheet, Attachment #1.

Keefe Commissary Network has followed the number sequence provided by the Department in response to RFP ADOCII-00000632. We have included all descriptive

literature, required documentation, policy handbooks, specifications and samples with our proposals.

1.7 Submission of Offer

1.7.1 Electronic Documents. The Solicitation document is provided in an electronic format. Any unidentified alteration or modification to any Solicitation documents, to any attachments, exhibits, forms, charts or illustrations contained herein shall be null and void. In those instances where modifications are identified, the original document published by the State shall take precedence. As provided in the Solicitation Instructions, Offerors are responsible for clearly identifying any and all changes or modifications to any Solicitation documents upon submission to the State.

Keefe Commissary Network understands that unidentified alterations will not be considered and that the original document published by the State shall take precedence.

1.7.2 Acceptable Formats. Offer electronic files shall be submitted in a format acceptable to the State. Acceptable formats include .DOC and .DOCX (Microsoft Word), .XLS and .XLSX (Microsoft Excel), .PPT and .PPTX (Microsoft PowerPoint) and .PDF (Adobe Acrobat). Other file formats may also be acceptable, including .ZIP, .MDB, .MDBX, .MPP, MPPX, .VSD, .JPG, .GIF, and .BMP. Offerors wishing to submit files in these or other formats shall submit an inquiry to the State's Solicitation Contact Person.

Keefe Commissary Network has submitted our response in a format listed as acceptable to the State.

1.8 Submission Required in ProcureAZ

1.8.1 Offer shall be submitted in an acceptable format, as described herein, using the State's online eProcurement application ProcureAZ ([www.procure.az.gov](http://www.procure.az.gov)). Submission of offers by means other than the ProcureAZ system will not be accepted. Prospective Offerors with questions in this regard shall contact the Procurement Officer prior to the Solicitation's due date and time.

1.8.2 To submit an Offer, Offerors must register in the ProcureAZ system. Offerors requiring assistance in the registration process or in navigating the ProcureAZ system may call the Help Desk at 602-542-7600.

Keefe Commissary Network has registered in, and submitted our response using, the State's online eProcurement application ProcureAZ.



1.9 Questions, Clarifications or Interpretations

1.9.1 Any doubt as to the requirements of the Request for Proposal or any apparent omissions or discrepancies shall be presented in writing through ProcureAZ. The Department shall determine the appropriate action necessary, if any, and issue a solicitation amendment to the Request for Proposal through ProcureAZ.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Questions, Clarifications or Interpretations" of RFP ADOC11-00000632, Commissary Services.

1.10 Proposal Opening

1.10.1 Proposals shall be opened online on the date and time, as indicated through ProcureAZ, or as amended by the Department. Following the opening, interested parties may contact the Procurement Officer to request a copy of the proposal tabulation. After Contract award, the proposals and evaluation documents shall be open for public inspection.

Keefe Commissary Network has read and understands the information specified in "Proposal Openings".

1.11 Pricing

1.11.1 The method of compensation governing the Contract shall be fixed price.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Pricing" of RFP ADOC11-00000632, Commissary Services.

1.12 Price Increase (12 Months)

1.12.1 The Department shall review a fully documented request for a price increase only after the Contract has been in effect for twelve (12) months. A price increase shall only be considered annually based on the contract award date. The Department shall determine whether the requested price increase or an alternate option is in the best interest of the State.

1.12.2 The Contractor must obtain approval through Procurement Services prior to implementation of any price increase. Price increases may be permitted only in accordance with the Consumer Price Index (CPI) — Regional and cannot exceed the percentages identified in CPI - Regional. Price increase approval is also based on the prices being no higher than prices of similar retail products in accordance with A.R.S. §41-1604.02. Any price increase that results in the price of the product exceeding the fair market retail price, will be denied regardless of the percentage (%) of increase requested.

1.12.3 The Contractor shall give not less than 30 days advance notice of any price changes to the Department's Chief Procurement Officer. Any approved price changes shall be effective only at the beginning of the calendar month following the end of the full 30 days inmate notification period. Price changes will be made by formal amendment through Procurement Services.

1.12.4 The Contractor shall document the amount and proposed effective date of any general change in the price of materials. Documentation shall be supplied with the Contractor's request for increase which shall:

1.12.4.1 Verify that the requested price increase is general in scope and not applicable just to the Department under this contract.

1.12.4.2 Verify that the increase in item pricing meet the statutory requirements of ARS 41-1604.02 and are at or remain below a retail price level and document the efforts to verify the information including the source and locations used to confirm. The Department reserves its right to perform a retail check to ensure compliance is met.

1.12.5 The Department's Chief Procurement Officer shall notify the Institutions and the selected Contractor in writing of the effective date of any increase which it approves. However, the Contractor shall fill all orders received prior to the effective date of the price increase at the existing contract prices. The Contractor is further advised that decreases which affect pricing are required to be communicated immediately to the Department's Chief Procurement Officer.

1.12.6 Price reductions may be submitted to the Department for consideration at any time during the Contract period. The Department at its own discretion may accept a price reduction. Price reductions shall become effective upon acceptance by the Department.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in sections 1.12 (1.12.1-1.12.6) "Price Increase (12 Months)" of RFP ADOC11-00000632, Commissary Services.

1.13 Substitutions

1.13.1 Substitutions for merchandise, must be requested in writing to Offender Operations, and shall not be allowed without prior approval from Offender Operations. Failure to do so may result in the cancellation of the contract. Approved substitutions will be made by formal amendment through Procurement Services.

Keefe Commissary Network understands that substitutions for merchandise must be requested in writing to Offender Operations and cannot be implemented until an amendment is issued from the Procurement Services Office.

#### 1.14 Product Discontinuance

1.14.1 In the event that a product or model is discontinued by the manufacturer, the Department at its sole discretion may allow the Vendor to provide a substitute for the discontinued item. The vendor shall request permission in writing to substitute a new product or model and provide the following:

1.14.2 A formal announcement from the manufacturer that the product or model has been discontinued.

1.14.3 Documentation from the manufacturer that names the replacement product or model.

1.14.4 Documentation that provides clear and convincing evidence that the replacement meets or exceeds all specification required by the original solicitation.

1.14.5 Documentation that provides clear and convincing evidence that the replacement shall be compatible with all the functions or uses of the discontinued product or model.

1.14.6 Documentation confirming that the price for the replacement is the same as or less than the discontinued product or model.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Product Discontinuance" of RFP ADOC11-00000632, Commissary Services.

#### 1.15 Eligible Agencies

1.15.1 Any contract resulting from this solicitation shall be for the exclusive use of the Arizona Department of Corrections and In-State Private Prisons.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Eligible Agencies" of RFP ADOC11-00000632, Commissary Services.

#### 1.16 Rules and Regulations

1.16.1 Attention of the Offerors is called to the requirements specified in Attachment #2, Rules for Non-Employees of the Department of Corrections in Arizona State Prison Complexes which shall be adhered to in all respects.

1.16.2 Should the Contractor require signatures of other parties such as subcontractor or persons directly or indirectly employed by the Contractor, it shall be the Contractor's responsibility to obtain such signatures. The signed document must be submitted within ten (10) days of notification of intent to award.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Rules and Regulations" of RFP ADOC11-00000632, Commissary Services.

1.17 Award

1.17.1 It is the intention of the Department to award a single Contract for all of the proposed services.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Award" of RFP ADOC11-00000632, Commissary Services.

1.18 Unlawful Sexual Conduct

1.18.1 A person who is employed by the State Department of Corrections, a private facility or a city or county jail or who Contracts to provide services with the State Department of Corrections, a private prison facility or a city or county jail commits unlawful sexual conduct by engaging in oral sexual contact, sexual contact or sexual intercourse with a prisoner who is in the custody of the State Department of Corrections, a private prison facility or a city or county jail or with an offender who is under the supervision of the State Department of Corrections or a city or county.

1.18.2 A prisoner who is in the custody of the State Department of Corrections, a private prison facility or a city or county jail or an offender who is on release status and who is under supervision of the State Department of Corrections or a city or county commits unlawful sexual conduct by engaging in oral sexual contact, sexual contact or sexual intercourse with a person who is employed by the State Department of Corrections, a private prison facility or a city or county jail or who Contracts to provide services with the State Department of Corrections, a private prison facility or a city or county jail.

1.18.3 This section does not apply to:

1.18.3.1 A person who is employed by the State Department of Corrections, a private prison facility or a city or county jail or who Contracts to provide services with the State Department of Corrections, a private prison facility or a city or county jail or an offender who is on release status if the person was lawfully married to the prisoner or offender on release status before the prisoner or offender was sentenced to the State Department of Corrections or was incarcerated in a city or county jail.

1.18.3.2 An offender who is on release status and who was lawfully married to a person who is employed by the State Department of Corrections, a private prison facility or a city or county jail or who Contracts to provide services with the State Department of Corrections, a private prison facility or a city or county jail if the marriage occurred prior to the offender being sentenced to the State Department of Corrections or incarcerated in a city or county jail.

1.18.4 Unlawful sexual conduct is a class 5 felony.

1.18.5 Unlawful sexual conduct; correctional employees; prisoners; classification;  
Definition A.R.S. §13-1419.

1.19 The Contractor shall comply with the Federal Prison Rape Elimination Act of 2003.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Unlawful Sexual Conduct" (1.18-1.19) of RFP ADOC11-00000632, Commissary Services.

1.20 Documents for Award

1.20.1 The Department shall not sign any agreements or any other documents presented for the services listed herein. The completed Offer and Acceptance form signed by the Chief Procurement Officer and the award notice shall be the Contract.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Documents for Award" of RFP ADOC11-00000632, Commissary Services.

1.21 Department Policy and Procedures

1.21.1 The Contractor shall follow all Department policies, procedures and Department orders (DO) i.e., dress code, grooming code, etc. The policies, procedures and DOs are available on the following web site [www.azcorrections.gov](http://www.azcorrections.gov).

1.21.2 In addition to the requirements set forth herein, services shall be provided in compliance with the requirements of Department written instructions including, but not limited to, DOs 116, 205, 501, 503 and 602, which are hereby made part of this RFP by reference and are available on the following web site [www.azcorrections.gov](http://www.azcorrections.gov). DO 205, Contractor Security, Exhibit #3 is attached.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Department Policy and Procedures" of RFP ADOC11-00000632, Commissary Services.

1.22 Investigations

1.22.1 The Department reserves the right to make investigations, as deemed necessary, to determine the ability of the Contractor to perform the specified work. The Contractor shall furnish to the Department all such information and data for this purpose as may be requested. The Department reserves the right to reject any Offer if evidence submitted or investigation fails to satisfy the Department that the Contractor is properly qualified to carry out the obligations of the Solicitation. Conditional Offers shall not be accepted.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Investigations" of RFP ADOC11-00000632, Commissary Services.

1.23 Rejection of Offers

1.23.1 The Department, at its discretion, may reject any and/or all Offers.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Rejection of Offers" of RFP ADOC11-00000632, Commissary Services.

1.24 Cancellation

1.24.1 The Department reserves the right to cancel the whole or any part of this Contract due to failure by the Contractor to carry out any obligation, term or condition of this Contract. The Department shall issue written notice to the Contractor for acting or failing to act as in any of the following:

1.24.1.1 The Contractor provides services or material that does not meet the specifications of this Contract;

1.24.1.2 The Contractor fails to adequately perform the services set forth in the specifications of this Contract;

1.24.1.3 The Contractor fails to complete the services required or to furnish the materials required within the time stipulated in the Contract;

1.24.1.4 The Contractor fails to progress in the performance of this Contract and/or gives the Department reason to believe that the Contractor shall not or cannot perform to the requirements of the Contract.

1.24.2 Upon receipt of the written notice of concern, the Contractor shall have ten (10) days to provide a satisfactory response to the Department. Failure on the part of the Contractor to adequately address all issues of concern may result in the Department resorting to any single or combination of the following remedies:

1.24.2.1 Cancel any Contract;

1.24.2.2 Reserve all rights or claims of damage for breach or any covenants of the Contract;

1.24.2.3 Perform any test or analysis on materials or services for compliance with the specifications of this Contract. If the results of any test or analysis find a material non-compliant with the specifications, the actual expense of testing shall be borne by the Contractor;

1.24.3 In case of default, the Department reserves the right to procure services or to complete the required work in accordance with the Arizona Procurement Code. The Department may recover any actual excess costs from the Contractor or by:

1.24.3.1 Deduction from unpaid balance;



- 1.24.3.2 Collection against the Offer and/or performance bond, or;
- 1.24.3.3 Any combination of the above or any other remedies as provided by law.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Cancellation" of RFP ADOC11-00000632, Commissary Services.

#### 1.25 Evaluation

- 1.25.1 In accordance with the Arizona Procurement Code §41-2534, Competitive Sealed Proposals, award shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the Department based upon the evaluation criteria listed below. The evaluation factors are listed in the relative order of importance.
  - 1.25.1.1 Task and General Specifications and Requirements — 895 points with 5 Preference Points possible for sub-section 4.23.1.1 (Total 900 points).
  - 1.25.1.2 Special Terms and Conditions — 270 Points with 5 Preference Points possible for sub-section 1.38.2 (Total 275 points).
  - 1.25.1.3 Uniform Terms and Conditions -250 Points
  - 1.25.1.4 Pricing - 222 points consisting of:
    - 1.25.1.4.1 Pricing Requirements, Section 5 — 30 Points
    - 1.25.1.4.2 Item Pricing — 100 Points with 42 Preference Points for lowest bid on each possible high dollar sales volume item noted. (Total 142 points).
    - 1.25.1.4.3 Commission - 50 Points
- 1.25.2 Evaluation of the item pricing and commission will be accomplished using the table below based on an offerors pricing on Attachment #1, Commissary Price Sheet.
- 1.25.3 Attachment' #1 identifies items noted as mandatory. These items must be bid by offerors. Offerors not bidding mandatory items shall be deemed non-responsive, unless all Offerors fail to submit a bid on a specific mandatory item. Substitutes for or elimination of mandatory items are at the Department's sole discretion and will be handled through a solicitation amendment.

- 1.25.3.1 The table below represents points associated with the percentage of items an offeror is low on. For example, if an offeror bids the lowest price on 80% of the items on the items listed on Attachment #1, they would receive 80 points. Vendors who do not bid an item or an identified variety will lose 1 point per item or variety not bid. The loss of one (1) point does not include Mandatory items as offeror's not bidding those designated items shall be deemed non-responsive.
- 1.25.4 In addition to awarding points for having the lowest bid prices described above, offerors will be able to receive additional preference points for lowest price on each High Volume item as identified on Attachment #1, up to a maximum of 42 points. Two (2) Points will be assigned for each high volume item that a vendor offers the lowest bid.
- 1.25.5 Using the table below, a vendor will be awarded points based on the level of Commission offered. For example, a vendor offering an 11% percent commission would receive 20 points.

**Item Pricing**

100%	100 Points
90-99%	90 Points
80-89%	80 Points
70-79%	70 Points
60-69%	60 Points
50-59%	50 Points
40-49%	40 Points
30-39%	30 Points
20-29%	20 Points
Below 20%	10 Points

High Volume	42 Points
Pricing	Maximum
Each item	2 Points

**Commissions**

10-12%	20 Points
13-15%	30 Points
16% & above	50 Points

KCN has demonstrated throughout this response our firm's qualifications, ADC-specific operational and staffing plan, extensive relevant experience, industry leading technology and services and proposed approach to commissary service for the Arizona Department of Corrections. Our commitment to customer service and our ability to dedicate all of our efforts to commissary services make us the nation's commissary leader. This has been demonstrated during our six year partnership with the ADC. Other providers may have a large employee base and conduct a large amount of business; however no other provider has near as much national experience and first-hand knowledge required for this inmate commissary specific mission.

We have completed Attachment 1 and offered a sixteen (16%) commission to the ADC. Should the ADC wish, KCN will gladly discuss modifications to our proposal. KCN welcomes the opportunity to present our proposal and other options/technologies outside the scope of this RFP, in person.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Evaluation" of RFP ADOC11-00000632, Commissary Services.

1.26 INVOICING:

1.26.1 The Contractor shall maintain adequate records of time spent and services rendered and submit signed, itemized invoices to include services provided by subcontractors. All invoices must contain the Department Contract number assigned to this Contract ADOC11-00000632 / ADC 110154DC. By the tenth (10th) workday of each month the Contractor shall invoice the Department for services rendered the previous month. All invoices shall be submitted to the Department's Project Director, or designee for approval. The Department shall make payment to the Contractor in accordance with pricing within thirty (30) days after receipt and approval of the invoice for services satisfactorily performed. The Contractor shall be required to pay approved subcontractor(s) for services rendered.

Agreed and accepted: Currently Keefe Commissary Network presents invoices that net the commission from the pay amount. The invoices are presented to facility business managers on the day following the applicable order or refund. We recommend this method for timeliness and efficiency, but if the above described process is preferred Keefe Commissary Network will not have an issue accommodating this request.

1.26.1.1 All invoices shall include at least the following information:

- |            |   |
|------------|---|
| 1.26.1.1.1 | The name of each service provider                         |
| 1.26.1.1.2 | Participant's/Employee's full name                        |
| 1.26.1.1.3 | Inmate's ADC #  |
| 1.26.1.1.4 | Inmate's full name  |
| 1.26.1.1.5 | Type(s) of service provided                               |
| 1.26.1.1.6 | Contract number ADOC11-00000632 / ADC 110154DC            |
| 1.26.1.1.7 | Date(s) service was provided                              |
| 1.26.1.1.8 | Invoiced amount for each service/unit of service provided |
| 1.26.1.1.9 | Total invoiced amount                                     |

Keefe Commissary Network will include the above mentioned information on our invoices.

1.26.1.2 Invoices shall be submitted to:

Arizona Department of  
Corrections ATTN: Business  
Office  
Addresses to each institution are as listed on Exhibit #2

Keefe Commissary Network will submit all invoices to the Business Office at each location.

1.26.1.3 The Department shall make payment based on acceptance of final written report(s) and/or approved invoices.

Acknowledged and agreed.

1.27 Contractors who desire to receive Automated Clearing House (ACH) payments, may call the General Accounting Office (GAO) Vendor Section at {602} 542-1679 or visit the GAO web site [www.gao.state.az.us](http://www.gao.state.az.us) and select the ACH Info button

Keefe Commissary Network has read and understands.

1.28 Discussions

1.28.1 In accordance with A.R.S. § 41-2534, after the initial receipt of proposals, the Department reserves the option to conduct discussions with those Offerors who submit proposals determined by the Department to be reasonably susceptible of being selected for award.

Keefe Commissary Network welcomes the opportunity to participate in any discussions with the Department regarding this RFP. Please feel free to contact Jim Perry at 1.800.411.0454, 13369 Valley Blvd, Fontana, CA 92335 or [jperry@keefegroup.com](mailto:jperry@keefegroup.com).

1.29 Confidentiality of Records

1.29.1 The Contractor shall establish and maintain procedures and controls, that are acceptable to the Department for the purpose of assuring that no information contained in its records or obtained from the Department or from others in carrying out its functions under the Contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the Department. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the Department.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Confidentiality of Records" of RFP ADOC11-00000632, Commissary Services.

1.30 Indemnification

1.30.1 Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal

injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

1.30.2 This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Indemnification" of RFP ADOC11-00000632, Commissary Services.

1.31 Contract Default

1.31.1 The Department, by written notice of default to the Contractor, may terminate the whole or any part of this Contract in any one of the following circumstances:

1.31.1.1 If the Contractor fails to make delivery of the supplies or to perform the services within the time specified; or

1.31.1.2 If the Contractor fails to perform any of the other provisions of this Contract; and fails to remedy the situation within a period of ten (10) days after receipt of notice.

1.31.2 In the event the Department terminates this Contract in whole or part, the Department may procure supplies or services similar to those terminated, and the Contractor shall be liable to the Department for any costs for obtaining services.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Contract Default" of RFP ADOC11-00000632, Commissary Services.



1.32 Insurance

1.32.1 The successful contractor shall be required to provide the following Certification of Insurance with in five (5) days after receipt of written notice of intent to award this contract. The contractor must furnish the State, certification from insurer(s) for coverage in the minimum amount as stated below. The coverage shall be maintained in full force and effect during the term of this contract and shall not serve to limit any liabilities or any other contractor obligations.

1.32.2 Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

1.32.3 The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

As the current provider Keefe Commissary Network has all required information, insurance and licenses required by the State of Arizona and the Department of Corrections. Keefe has provided copies under Attachment A, "Insurance Documents".

1.32.4 **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1.32.5 Commercial General Liability — Occurrence Form. Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

1.32.5.1 General Aggregate	\$2,000,000
1.32.5.2 Products - Completed Operations Aggregate	\$1,000,000
1.32.5.3 Personal and Advertising Injury	\$1,000,000
1.32.5.4 Blanket Contractual Liability — Written and Oral	\$1,000,000
1.32.5.5 Fire Legal Liability	\$ 50,000
1.32.5.6 Each Occurrence	\$1,000,000

1.32.5.7 The policy shall be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor".

1.32.5.8 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.32.6 Business Automobile Liability - Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

1.32.6.1 Combined Single Limit (CSL) \$1,000,000

1.32.6.2 The policy shall be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor".

1.32.6.3 Policy shall contain a waiver of subrogation against the State of Arizona, as departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.32.7 Worker's Compensation and Employers' Liability

1.32.7.1 Workers' Compensation

Statutory 1.32.7.2 Employers'

Liability:

1.32.7.2.1	Each Accident	\$ 500,000
1.32.7.2.2	Disease — Each Employee	\$ 500,000
1.32.7.2.3	Disease — Policy Limit	\$1,000,000

1.32.7.3 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.32.7.4 This requirement shall not apply to: Separately, each contractor or subcontractor, exempt under A.R.S. 23-901, and when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

1.32.8 **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1.32.8.1 The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

1.32.8.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

1.32.8.3 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

1.32.9 **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to (State of Arizona Department of Corrections, 1601 West Jefferson Street, M/C 55302, Phoenix, AZ 85007-3002 and shall be sent by certified mail, return receipt requested.

1.32.10 **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

1.32.11 **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

1.32.11.1 All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

1.32.11.2 All certificates required by this Contract shall be sent directly to State of Arizona Department of Corrections, 1601 West Jefferson Street, M/C 55302, Phoenix, AZ 85007-3002. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. Do not send certificates of insurance to the state of Arizona's Risk Management section.

1.32.12SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified above.

1.32.13APPROVAL: Any modification or variation from the insurance requirements in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

1.32.14EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

As the current provider, Keefe Commissary Network has all required information, insurance and licenses required by the State of Arizona and the Department of Corrections. Keefe has provided copies of this information under Attachment A, "Insurance Documents".

### 1.33 Independent Status of the Contractor

1.33.1 The Contractor is an independent Contractor and shall not, under any circumstances, be considered an employee, servant or agent of the Department, nor shall the employees, servants or agents of the Contractor be considered employees of the Department.

1.33.2 Personnel actions of employees on the Contractor's payroll shall be the Contractor's responsibility. The Contractor shall comply with all applicable

government regulations related to the employment, compensation and payment of personnel.

- 1.33.3 The Department shall not be responsible in any way for the damage or loss caused by fire, theft, accident, or otherwise to the Contractor's stored supplies, materials, equipment, or his employee's personal property stored on Department property.

KCN has read and understands the above "Independent Status of the Contractor" clause and will comply.

1.34 Performance/Payment Bonds

- 1.34.1 Successful contractor shall be required to submit a fully executed 25% Statutory Performance Bond, 25% Statutory Payment Bond DOC Forms 302 and 303, within five (5) days written notice of the Department's intent to award this contract (See Attachment #4). Bonds shall be submitted annually based on the award date. The initial bond based on award shall be submitted based on the Department's previous total sales as identified herein and as part of this RFP. Subsequent bonds shall be based on the contract worth using the Contractor and Department verified total sales for the previous year.

KCN has read, understands and will comply with the above requirement.

1.35 Notice Warning

1.35.1 Any person who takes into or out of or attempts to take into or out of a correctional facility or the grounds belonging to or adjacent to a correctional facility, any item not specifically authorized by the correctional facility, shall be prosecuted under the provisions of the Arizona Revised Statutes. All persons, including employees and visitors, entering upon these confines are subject to routine searches of their persons, vehicles, property or packages.

Definition: A.R.S. § 13-2501:  
A.R.S. § 13-2505,  
ADC Department Order 708

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Notice Warning" of RFP ADOC11-00000632, Commissary Services.

KCN's internal policies require the following:

- Employees should always report to the designated facility location for security clearance, prior to working inside of a correctional environment. Likewise, employees should always report back to the designated facility location for security clearance prior to leaving the correctional facility.
- Prior to working independently in a correctional environment, employees should know all rules, regulations, policies and procedures of the facility in which they are servicing.'
- It is imperative that all Keefe personnel are accounted for at all times while in the facility. All Keefe employees shall check in and out of the facility for security clearance, in compliance with the rules and regulations of the facility. Supervisors will make every effort to have all personnel enter and leave a secured area at the same time. Wandering around, going to visit friends/family in other areas of the facility is not permitted at any time.
- Upon reporting to work in a correctional environment, employees should bring as few personal items as necessary. Pocketbooks and large bags should be secured in the trunk of your vehicle and not brought into the facility. Employees should remember that anything brought in to the facility has the change of being misplaced or stolen and is subject to search up to and including seizure.
- Depending on the rules of the facility and duties you are performing, the following items are generally the only items which may be allowed to be brought into the facility:
  - Pen, pencil, and folder (unless available in the on-site office)
  - Coat, jacket, sweater
  - Car/house keys (which should be secured in a locker provided to you)
  - Facility identification



1.36 Contraband

1.36.1 Contraband means any dangerous drug, narcotic drug, intoxicating liquor of any kind, deadly weapon, dangerous instrument, explosive or any other article whose use of or possession would endanger the safety, security or preservation of order in a correctional facility or any person therein. (Any other article includes any substance which could cause abnormal behavior, i.e., marijuana, nonprescription medication, etc.)

Promoting prison contraband A.R.S. § 13-2505:

1.36.1.1 A person, not otherwise authorized by law, commits promoting contraband:

1.36.1.2 By knowingly taking contraband into a correctional facility or the grounds of such a facility; or

1.36.1.3 By knowingly conveying contraband to any persons confined in a correctional facility; or

1.36.1.4 By knowingly making, obtaining, or possessing contraband in a correctional facility.

Promoting Prison Contraband is a Class 5 felony:

Definition: A.R.S. § 13-2501: A.R.S.  
§ 13-2505, ADC Department  
Order 708

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Contraband" of RFP ADOC11-00000632, Commissary Services.

KCN internal policies require the following:

- Any violation of the facility's contraband policy will have severe penalties, up to and including, a felony charge. Contraband may be defined in either of the following two ways:
  1. Any item which is restricted from being brought into the facility including items that are considered legal and illegal outside of the facility.
  2. Any item passed to an offender in which the offender is not entitled to receive. This may include but is not limited to weapons, letters, phone numbers, personal information, and commissary which have not been properly paid for. In addition, employees are forbidden to receive any information such as letters, addresses, phone numbers etc. from offenders that is not directly related to commissary services.

Examples of Contraband may include, but are not limited to the following:

- Any item, legal or illegal which is not permitted in the facility
  - Any item which the inmate is not entitled to
  - Weapons of any kind including box cutters or cutting devices of any kind
  - Aerosol cans
  - Combs, Brushes and makeup
  - Nail clippers and files, compact mirrors
  - Newspapers and magazines
  - Cell phone, pagers, lap top computers
  - Credit cards, excess cash
  - Commissary which has not been properly paid for
- Any employee who receives items of contraband from an offender must report the incident to their supervisor immediately. For instance, if an inmate hands you a personal letter, you must turn that letter over to your supervisor, immediately.
  - Employees should report immediately, any offender in the facility which the employee may personally know. Commissary services to the offenders should be performed only by a Keefe employee who has had no prior relation or contact, outside of the normal commissary services.
  - No employee will fraternize in any way with offenders or staff, in a correctional environment. All contact with offenders and staff will be related to the provision of commissary services.

1.37 Business Standing A.R. S. § 10-1501

1.37.1 A selected Contractor whose business structure requires that documents be filed regularly with the Arizona Corporation Commission (ACC) must remain in good standing with the ACC during the term of the Contract. An out-of-state firm selected for Contract award must file necessary documents with the ACC as doing business in Arizona prior to execution of the Contract and, throughout the term of the Contract, must remain in good standing with the ACC and the entity where the original documents were filed.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Business Standing A.R.S. 10-1501" of RFP ADOC11-00000632, Commissary Services. A copy of our Certificate of Good Standing has been included as Attachment B.

1.38 Inclusive Offerors

1.38.1 Offeror(s) are encouraged to make every effort to utilize subcontractors that are small business enterprises. This could include subcontractors for percentage of the Commissary — All Institutions and In-State Private Prisons. Offerors who are committing a portion of their work to such subcontractors shall do so by identifying the type of service and work to be performed by providing detail concerning your organization's utilization of small business enterprises.

Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort shall be administered and managed, including reporting requirements.

1.38.2 Preference will be given to Contractors who utilize small business enterprises. See Attachment #3.

Keefe Commissary Network has completed Attachment 3, outlining the small businesses we utilized nationwide and intend to utilize for this contract. KCN believes this information supports our request for five additional preference points associated with this section.

1.39 Government Procurement; E-Verify Requirement A.R.S. § 41-4401

1.39.1 The Contractor warrants compliance with all Federal Immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.")

1.39.2 A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the contractor may be subject to penalties up to and including termination of the contract.

1.39.3 Failure to comply with a State audit process to randomly verify the employment records of contractors and subcontractors shall be deemed a material breach of the contract and the contractor may be subject to penalties up to and including termination of the contract.

1.39.4 The State Agency retains the legal right to inspect the papers of any employee who works on the contract to ensure that the contractor or subcontractor is complying with the warranty under paragraph 1.39.1.

Keefe Commissary Network acknowledges, accepts and will comply with all information as specified in "Government Procurement; E-Verify Requirement A.R.S. 41-4401" of RFP 00000632, Commissary Services. Keefe Commissary Network is compliant with all Federal Immigration laws and regulations relating to employees and Section A.R.S. 23-214, Subsection A regarding the verification of employment eligibility through E-Verify. Please find our Memorandum of Understanding between the Department of Homeland Security, Social Security Administration, employer, and designated agent regarding E-Verify, included with our response as Attachment C.

1.40 I.R.S. W-9 Form Request for Taxpayer Identification Number and Certification.

1.40.1 In order to receive payment, the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law. See Attached form.

Keefe Commissary Network has included a copy of our current I.R.S. W9 Form which can be found as Attachment D, "Executed W9".

1.41 Small Business Reporting

1.41.1 Where it is practicable for any portion of the award contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such business to small businesses. Names of firms may be available from the Department's Procurement Services. When such business has been subcontracted to these firms and upon completion of the contract, the Contractor agrees to furnish the Procurement Service the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service provided. See Attachment #3.

1.41.2 The Offerors commitment for participation of small businesses.

Keefe Commissary Network has completed Attachment 3, outlining the small businesses we utilized nationwide as well as those we intend to utilize specifically for this contract. KCN is committed to participation of small business.

1.42 Eligibility for State or local public benefits; documentation and violations

1.42.1 Contractors providing services as an agent the State, shall ensure compliance with A.R.S. §1-502. A.R.S. §1-502 requires each person applying or receiving a public benefit to provide documented proof which demonstrates a lawful presence in the United States. The State shall reserve the right to conduct unscheduled, periodic process and documentation audits to ensure contractor compliance. All available contract remedies, up to and including termination may be taken for failure to comply with A.R.S. §1-502 in the delivery of services under this contract.

Agreed.

1.43 End of Contract Transition

1.43.1 In the event that a contract is terminated for any reason, or expires, the Contractor shall assist the Department in the transition to a new Contractor. In addition, the Department reserves the right to extend the term of the contract on a month to month basis to assist in the transition of services to a new Contractor. The Contractor shall make provision for continuing all management and administrative services until the transition of services is complete and all other requirements of the contract are satisfied. The Contractor shall be responsible during the transition for all requirements within the Contract.

Agreed.

## 2 INTRODUCTION

- 2.1 The Arizona Department of Corrections (ADC) announces the RFP to all eligible and interested parties for the opportunity to submit a proposal, in accordance with the requirements herein, for its statewide commissary service operations. You are invited to submit a response in accordance with the requirements specified in this RFP.

Keefe Commissary Network (KCN) has read the above and followed the requested content and format of the proposal. KCN has responded in a line by line format in order to provide the most thorough response. Should the Arizona Department of Corrections (ADC) require anything further, please contact Jim Perry, Keefe Group Vice President at (800) 411-0454.

KCN has demonstrated throughout this response our firm's qualifications, ADC-specific operational and staffing plan, extensive relevant experience, industry leading technology and services, and proposed approach to commissary service for the Arizona Department of Corrections. Our commitment to customer service and our ability to dedicate all of our efforts to commissary services make us the nation's commissary leader. This has been demonstrated during our six year partnership with the ADC. No other provider has the national experience or first-hand knowledge required for this specific mission.

Should the ADC wish, KCN will gladly discuss modifications to our proposal including but not limited to operations, pricing to inmates, products and commissionable return to the ADC. KCN welcomes the opportunity to present our proposal and other options/technologies outside the scope of this RFP, in person.

- 2.2 The ADC has ten (10) Institutions that currently operate a store program under a bag and drag delivery system with a private vendor. The ADC contracts with five (5) In-State Private Prisons in the State of Arizona that currently contract separately for commissary services. This RFP shall include services for the ten (10) ADC Institutions and the five (5) In-State Private Prisons that ADC currently contracts with to achieve consistency of products and also gain from volume purchasing.

Keefe Commissary Network understands more than any other provider the size and scope of this project. KCN currently services all ten major ADC institutions as well as the (5) contracted In-State Private Prison partners. Should KCN again be selected as the preferred provider, the ADC may expect no disruption in service, no loss of sales and a continued commitment to our successful partnership.

- 2.3 In an effort to maximize its commissary operations at all institutions, the ADC shall consider proposals for an off-site, bag and drag delivery type operation as the primary method of distribution to include the ability to provide an over the counter medication process as described herein.

Keefe Commissary Network has detailed throughout this proposal our proven abilities to maximize operations at each institution via an off-site, bag and drag delivery type operation.

- 2.4 Offerors should also detail other operational enhancements that ADC may consider such as, but not limited to: secure package programs, holiday programs, etc and must provide any pricing associated with them. Any enhancements provided should clearly describe the enhancement or program and how operationally or within the commissary program it will run effectively.

Unlike other providers, KCN can offer operational enhancements “in-house” without sub-contractors or unproven partnerships. Keefe has provided names and contact information for our partners currently enjoying these enhancements and challenges other providers to deliver a single spokesperson for their technologies and services. Keefe is the only provider with demonstrated successful experience.

**Holiday Program** -- Keefe Commissary Network has offered and will continue to offer holiday items for sale during a determined annual period. Our vast amount of products allows us to offer new and existing items for this program. In previous years, KCN has offered 20-30 new items for this program. The highly successful program is a great goodwill gesture to the inmate population and generates additional revenue for the state. Attachment K is the sample menu we provided for the 2010 Holiday Program.

Keefe Commissary Network works closely with the Department on the creation of the holiday menu and submits it for approval far in advance of the noted 60-day deadline. We will continue to submit the Holiday Plan at least 60 days prior to the start of the program.

Keefe Commissary Network understands that the sales period runs for four weeks and that any extension must be approved by the department and Procurement Services.

**Securepak Program** -- Keefe Commissary Network is the only vendor with experience running a package program for a state the size of Arizona. In fact, we currently run package programs for TWENTY THREE (23) State Department of Corrections programs nationwide. Our Access Securepak program offers the most comprehensive custom secure package program in the correctional industry. It is designed to meet the unique needs of correctional facilities and your inmates’ loved ones. A custom program is important because family and friends prefer the ability to choose individual items and determine the dollar amount they want to spend. Please note that all vendors do not offer this capability.

Additionally our experience has shown us that offering pre-determined, already packaged kits does not generate interest and limits revenue. The addition of this program will be well received by the inmates’ family and friends and also provide the state with an additional revenue stream. Securepak orders are limited to one per week and delivered weekly by our on-site delivery staff in conjunction with regular commissary delivery schedule.

With customized catalogs, pre-printed order forms and a website designed specifically for the Arizona Department of Corrections, our program allows family and friends the opportunity to choose the method that best suits their needs. We offer the widest means of payment including credit cards, debit cards, prepaid credit cards, cash advance cards, cashier’s checks, money orders and for inmates wishing to order for themselves, institutional checks.

Keefe Commissary Network is unique in that we offer three methods for placing orders. We have developed and will provide an easy to use website designed specifically for the families and friends of inmates incarcerated by the Arizona Department of Corrections. We invite the Department’s review committee to visit our ADC specific website at [www.arizonapackages.com](http://www.arizonapackages.com). The website will say “the store is currently closed”, but please enter “Securepak11” as the pass code to get in and view this site.



We have included a sample Arizona catalog (Attachment L), order form (Attachment M) and poster (Attachment N).

Keefe Commissary Network has an established toll free customer service phone number (1-800-546-6283) for placing and checking on orders. We operate two Call Centers: one at our corporate headquarters in St. Louis, Missouri and a second located in St Charles, Missouri. Between the 2 locations, we employ 63 agents dedicated strictly to order entry and customer service related issues. The call center is open Monday – Friday, 5:30 a.m. to 9:00 p.m. PST and Saturday, 8 a.m. to 2 p.m. PST. Our state-of-the-art call center makes ordering a simple process and is a great convenience for the families and friends placing orders for their incarcerated loved ones. Our toll free number is also available 24 hours to check orders and confirm shipments. We also have a separate customer service department that only keys mail orders located in Sparks, Nevada.

Because almost all of our orders are placed via phone or web we are able to alert our customers of items that are not available when they are placing their orders. Different from commissary, like item substitutions of equal or greater value are allowed with the purchaser's prior approval. We try to offer new and exciting products through our Securepak program to spark interest and increase revenue. Because there are a lot of retail food products, our Securepak menu is more susceptible to changes based on the retail industry. Because of this, and to keep the menu fresh, we update our Securepak menus at least bi-annually. We will review all discontinued, deleted and new items with ADC prior to moving the new menu into place. There is processing fee that applies to all orders (fee is dependent on proposal). Commission paid on Securepak equals total sales minus processing fee.

### **MP3 Program Overview**

Digital music has quickly become the primary method/process for purchasing music and by years end is expected to account for over 90% of all music sales/purchases. The Keefe Group MP3 Music Program provides a secure method by which users can browse, select and download digital content to their personal media player. The program consists of an Access MP3 portable media player, kiosks for downloading digital media and other content, and a private satellite delivery system. The MP3 music catalog is comprised of nearly 6 million individual songs and is one of the largest MP3 music catalogs in the country. In addition to music, this program also supports photos, email, educational content and rehabilitative programming. Our MP3 program runs on our own network and is the only proven correctional MP3 program currently operating in 8 state-wide DOC's with two additional awards currently launching. In addition, several other facilities, including BOP and ICE facilities, take advantage of our unique program which has delivered more than 2.5 million songs successfully to thousands of inmates.



**Unlike other programs where inmates have to browse and select their music directly from the Kiosk, Keefe Group's MP3 program allows users to search for songs directly from his/her player. This process**



occurs during the users own time while in his/her cell. We have learned from studying our current customers that inmates spend 2 to 3 hours a day searching for songs. Programs that require inmates to search for, select and download music all while connected to a kiosk can present serious issues, including delays in receiving music and long lines forming as a result of the amount of time required per inmate. These lines can lead to disruption and/or disputes among the inmate population. With our MP3 program, a user simply selects the songs he/she wants to purchase directly from the player. The selected songs are then placed in the "Download Manager" on the player and will automatically download to the player upon the user's next connection to the kiosk. There is no direct access to the internet while downloading songs.

Keefe Group's delivery of music is via a completely private data network built specifically to support our program. The Network uses direct satellite communication to bypass public Internet, ensuring the highest level of security possible. It is not possible for users to reach the public Internet from this network. Nor is it possible to reach this network from the public Internet. The Network is composed of the latest technologies and is simply the most secure method by which to deliver content today.

We are the only vendor who can provide MP3 technology without involving a separate company and the only vendor operating state-wide MP3 programs. Our program, technology, and player are successfully deployed and operational statewide throughout the Michigan DOC – 42,000 inmates, Idaho DOC – 4,000 inmates, Oklahoma DOC – 22,000, Ohio DOC – 51,000 inmates, Mississippi DOC – 15,000 inmates, Alaska DOC – 4,000 inmates, New Mexico DOC – 6,000 inmates and Kansas DOC – 8,500 inmates. Additional MP3 awards in the launch phase include: Florida DOC – 90,000 inmates and New Hampshire DOC – 3,500. Please feel free to contact any of our references provided below.

Additionally, if approved our program and technology allows inmates the ability to download additional features such as education and programming materials, state policy information, correctional email, and photo applications.

**Michigan Department of Corrections**

Cheryl Groves, Administrative Assistant

206 East Michigan Avenue

Lansing, MI 48909

Phone: (517) 241-7796

[grovesc@michigan.gov](mailto:grovesc@michigan.gov)

Services Provided: MP3 Program

Date of Services: April 2009 - Present

**Kansas Department of Corrections**

Lansing Correctional Facility

David McKune, Warden

301 E. Kansas

Lansing, KS 66043

Phone 913-727-3235 x57210

[davidmck@doc.ks.gov](mailto:davidmck@doc.ks.gov)

Services Provided: MP3 Program and Deposit Services

Date of Services: December 2010 - Present

**Alaska Department of Corrections**

Spring Creek Correctional  
Bob Lockeby, Business Manager  
Center Mile 5 Nash Road  
Seward, AK 99664  
Phone 907-224-8192  
[Bobby.lockeby@alaska.gov](mailto:Bobby.lockeby@alaska.gov)  
Services Provided: MP3 Program  
Date of Services: November 2009 - Present

**Oklahoma Department of Corrections**

Kristi Wingo, Business Manager  
Oklahoma State Penitentiary  
P.O. Box 97  
McAlester, OK 74502  
Phone 918-302-4618  
[Kristi.wingo@doc.state.ok.us](mailto:Kristi.wingo@doc.state.ok.us)  
Services Provided: MP3 Program  
Date of Services: March 2010 - Present

**Mississippi Department of Corrections**

Stan Evans, Director of Inmate Accounts, Commissary, Property and Warehouse  
723 N. President Street  
Jackson, MS 39202  
Phone (601)-359-5032  
[sevens@mdoc.state.ms.us](mailto:sevens@mdoc.state.ms.us)  
Services Provided: MP3 Program, Deposit Services, E-Messaging Services  
Date of Services: December 2009 – Present

**Idaho Department of Corrections**

Tammy Majors  
Grant/Contracts Officer  
1299 N. Orchard, Suite 110  
Boise, Idaho 83706  
Phone (206) 658-2129  
[tmajors@idoc.idaho.gov](mailto:tmajors@idoc.idaho.gov)  
Services Provided: MP3 Program and E-Messaging Services  
Date of Services: December 2010 - Present



### Music Manager Kiosk

In this proposal KCN will provide, install, warrant, and maintain on-site, music manager kiosks to enable inmates the ability to purchase and download music and at the option of the Department, education and programming material, email, and photo applications. All content including song titles, book titles, pictures, and education or programming material may be approved by the Department prior to making them available to the inmate population.

The music manager kiosk cabinet is manufactured from 16 gauge steel. The cabinet is locked and secure to prevent unauthorized access. The kiosk does not have keys or buttons for inmates to operate the kiosk.

Instead, the inmates simply connect their player to the connection cord provided at the kiosk, and the kiosk will automatically download any songs previously selected by the inmate for purchase, debiting the inmate's music account against the balance in real time. The kiosk will also provide any updates to the catalog menu with new songs which were released and available since the player was last connected to the kiosk. On average, the download time per song is less than 10 seconds.

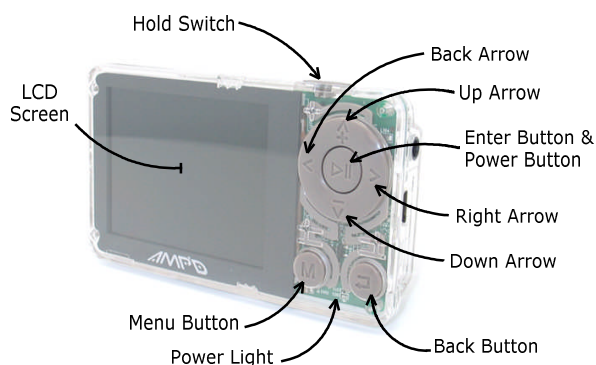
Upon connecting a player to the kiosk, the kiosk screen will provide details of the download process for the inmate. The screen starts with confirmation that the player is connected and instruction not to disconnect the player from the kiosk. Next, the screen provides details and confirmation of the individual songs which are being loaded onto the player. Upon completion of the entire connection process, the kiosk screen will turn green and instruct the inmate that the download is complete and the player can be disconnected. The music manager kiosk provides for and allows up to four (4) players to be connected and downloading simultaneously. The screen provides individual and clear instruction for each of the 4 players. We will provide seventy-five music kiosks. We may make educated suggestions on where to place kiosks at each facility but will work with each individual facility to determine the best centrally located positions.

### Network Technology

Unlike other programs that require the use of the DOC's network to deliver music, Keefe Group's satellite network provides a separate network for the uplink to download music. This prevents critical bandwidth being taken up across the DOC's WAN. Keefe Group's program does not require the use of the DOC's WAN to deliver music, thus making it the most efficient program available. With the ADC approval we would suggest using the local area network (LAN) although not required the ADC would see little if any impact.

Plus, over 70% of songs are stored directly at the kiosk allowing for the average download time of 8 seconds per song. By having the songs stored directly at the kiosk, Keefe Group's program operates much more efficiently. This process eliminates crowding and lines at the kiosk as well as considerably shortening the amount of time a user is connected. **The average connection time per user is less than three (3) minutes, and the average download time per song is 8 seconds.**

## Player



Keefe Group offers both a 4GB player and an 8GB player, and will introduce a mini player and 16GB player in the coming months. In addition to music, the program also supports photos, e-messages, educational content and rehabilitative programming. Our MP3 player is designed specifically for use in the correctional environment. Inmates can search the entire music catalog by song, artist and genre directly on the player. Our player is also capable of allowing the inmate to receive both e-messages and photos through our Secure Mail™ program as well as letting the inmate respond to those messages directly from the player.

## Security Features

### Control: Player Mortality

Player Mortality is a key security feature of this program that forces each player to connect to the Kiosk at least once every 30 days. The Player will disable itself if its Mortality expires and must be connected to the Kiosk to begin working again. The benefits of Morality include:

- **Device Heartbeat:** Mortality allows us to take a heartbeat of every player at least once every 30 days. If a player misses two consecutive mortality check-in connections, we notify the facility so they can locate the device.
- **Fraud Lock:** If a device is stolen and reported as such, the device will stop working when the Mortality expires. If the theft is reported, we can FRAUD LOCK the device. When the thief tries to connect the device, we will notify the prison of the time, date and kiosk location of where the player was detected. A device that has been fraud locked will remain unusable until the facility unlocks it.
- **Update Music Catalog:** The Mortality feature is a good way to ensure that the user always has a current copy of the music catalog on their device.

### **Player Only Connects to Kiosk**

The Player will only communicate with our Music Kiosks. The player will immediately turn off and freeze if it is connected to any computer other than our Kiosks.

### **No Player-to-Player Communication**

The players do not communicate with each other in any way. It is not possible for songs to be shared between devices or with any computer while in prison.

### **No External Storage Supported**

The player does not support any form of external storage (SD, MicroSD, etc.), which means songs cannot be transferred off the players.

### **Private Satellite Network - No Internet Access**

To ensure the highest level of security possible, the network uses direct satellite communication to bypass the public Internet. It is not possible for a user to reach the public Internet from this network, and it is not possible to reach this network from the public Internet. This network is composed of the latest technologies and is simply the most secure method by which to deliver content today.

### **Kiosk Security**

Music management on the Music Kiosk is designed to be “self-serve” and should not require any oversight or assistance from the facility. Our Music Kiosk has the following security features:

- (1) Inmate simply connects his player and the kiosk takes over. The inmate will never access a mouse, keyboard, or any of the equipment inside the kiosk.
- (2) Constructed of fully-welded, 14-gauge steel
- (3) Locks on all sides

### **Removal of Security Features**

Keefe Group’s MP3 program allows for the inmate’s player to have the security features removed upon release. The inmate would need to send the player back to Keefe Group. For a fee the inmate can have the old software removed and new software put on. Keefe Group will then ship the player back to them. They will not lose any previously purchased music as it will all still be on the player when they receive it back. Once the player has been “unlocked” it can then function as any normal MP3 player and can be used on any computer. Songs can then be bought through any normal means (i.e. iTunes, Amazon, etc.).

The player has a fully functional screen which allows the user to access the individual menu selections including the following:

- **Music Player** – The basic functionality of the Music Player option is to select and listen to music which has already been purchased and downloaded to the player. The option allows the user to search purchased/available songs by Album, Artist, Song Title, and Genre, and also allows the user to create and listen to a play list of these songs. At the option of the STATE, KCN can restrict all songs which have explicit or violent lyrics and thereby offer only the version of songs which are appropriate and approved for use on the radio.

- **FM Radio** – The FM Radio option allows the user to automatically scan the available FM music stations. Once the stations have been scanned, the user can then set any those scanned stations to be stored and accessible for future recall.

- **Catalog** – The Catalog option has 3 main features as follows:

- **General Settings** - The system options provide for general settings such as the date, time, display brightness, and multiple languages of English & Spanish. The player is designed with icons making it easy

for inmates to operate the player. For security reasons, the player does not have or allow for any alarm device/feature.

- **Browse Catalog** – A very unique and important feature of our player and program is that the music selections already come pre-programmed on the player with over 5 Million song titles. This allows the users to search through the “Browse Catalog” option for available songs to download. The “Browse Catalog” allows the user to search for songs by Title, Artist, Genre, and Album, without being connected to the Music Manager Kiosk. In fact, the only time the user even goes to the Music Manager Kiosk is to simply connect the player and the kiosk automatically downloads the pre-selected songs to the player. This completely eliminates long lines at the kiosk and is critical that a program allow for songs to be searched and selected without being connected to the kiosk, to maintain the efficiency and effectiveness of the program. Other programs require time consuming downloads which may lead to disputes and disruption within the facility.

- **Download Manager** – Once songs are selected for future download, they are stored in the “Download Manager” of the player. This allows the user to review such songs which are set for download, and also make changes such as the order in which they want the songs to download and even add or remove song selections to the Download Manager. Upon connection to the Music Manager Kiosk, the songs designated for download in the Download Manager, will automatically download into the player without the need for the inmate to use any keys or buttons on the player or kiosk.

- **Mailbox** - The Mailbox option provides important information such as the number of days remaining on the player’s mortality period and the inmate’s available music account balance and full transaction history after each connection to our kiosk. This prevents inmates from bothering staff to ask questions about their pre-paid account balance or what songs were downloaded to their player because all of this information.

**Electronic Messages (Email)** – At the option of the facility, the player and program can allow electronic messages (email) to be received from the outside. Secure Emails are not received by the inmate until approved by the facility. Once approved, the electronic messages are downloaded to the player via the kiosk. Families on the outside would be able to send emails to a registered and secure website, hosted and provided by KCN. The website requires registration and verification of the person sending the email. The sender pays the fee and therefore, there is no cost to the facility or inmate. Facility staff approves emails on a secured workstation provided by KCN at no cost to the State. Each file contains the sender’s information and inmate to receive the email. The facility clicks on the file to bring up, review, and approve or deny the email. The software includes a library of key words or phrases which are automatically highlighted and identified if used in any messages. The library of words/phrases can be customized by the facility and/or KCN provides a suggested library which is used by our facilities that use the technology. Once the email is called up for review, the software automatically highlights any/all key words/phrases which are in the library. This allows the approver to look at such highlighted words/phrases during the review process. The reviewer can approve or deny the message with a single click of the mouse. Upon completion of the review process, messages approved are automatically sent to the music manager kiosk for automatic download by the receiving inmate upon the next connection to the kiosk. Any messages denied will not be transferred to the kiosk for download. The KCN system at the facility will retain all messages per inmate (both approved and denied), for future recall/investigation by the facility.



The player has a specific folder called “Mailbox” where all approved messages are uploaded and stored for display and recall by the inmate. In the future, upon the state’s approval KCN can also provide the option of allowing inmates to create emails. The emails will be created by the inmate on the player. Upon connection to the kiosk, the email is sent to the KCN review system at the facility. As with incoming messages, the facility reviews the inmate composed message to determine whether or not the message is approved for distribution. Upon approval by the facility, the KCN system will send the electronic message to the outside party. The outside party must have an email account set up and established with KCN and must also have marked in the setup that they are willing to receive such electronic messages from the inmate.

The message program provides several benefits to the sender, inmate, and facility, including but not limited to the following:

**Sender and Inmate** – The program eliminates the necessities of creating and mailing physical letters. The program allows for electronic messages to be approved, sent, and received much faster than regular physical mail. The future option of adding outgoing messages composed by the inmates will increase the line of communication further and become an affordable method of communication.

**Facility** – Allowing mail to be sent and reviewed electronically provides less effort/time than receiving, opening, and reviewing physical mail. Once approved, the program eliminates the necessity of the facility to physically route and deliver the mail to the inmate, as they are automatically uploaded through the kiosk. The website for sending mail has a disclaimer which the sender must acknowledge and accept. The disclaimer can tell the sender the rules of acceptance for the message/content and also that messages not meeting these rules will be rejected and not be sent to the inmate. In doing so, the facility does not physically have the mail which is not allowed and the process of sending the mail back or dealing with objections is eliminated. The KCN system also provides for automatic retention and recall of all messages sent in for that inmate. In eliminating the physical mail the facility is also eliminating the chances for contraband which is sometimes sent on/through physical mail. KCN’s Data Detective software can also provide the facility with automatic reporting of messages which are sent from individuals on the outside to multiple inmates on the inside, thereby identifying connections and multiple relationships.

**Photo Album** - As with KCN’s Secure Mail program, the player and program also allow at the State’s option, pictures to be sent from the outside, approved by the facility, and downloaded onto the player. Families on the outside would be able to send pictures to a registered and secure website, hosted and provided by KCN. The website requires registration and verification of the person sending the pictures. The person sending the pictures pays the fee and therefore, there is no cost to the facility or inmate. Facility staff approves emails on a secured workstation provided by KCN at no cost to the State. Each file contains the sender’s information and inmate to receive the pictures. The facility clicks on the file to bring up, review, and approve or deny the pictures. The review software can be configured a number of ways. We believe that the best configuration is to display multiple pictures for that file (from that sender and to that inmate) on the same screen, thus eliminating the need for the reviewer to click through each picture individually. The reviewer can approve all pictures on the screen with a single click or approve and deny pictures. Additionally, the reviewer can click on any individual pictures to expand them to full screen and get a better look. Upon completion of the review process, pictures approved are automatically sent to the music



manager kiosk for automatic download by the receiving inmate upon the next connection to the kiosk. Any pictures denied will not be transferred to the kiosk for download. Our system does not allow pictures to be attached to email messages. We configured our system this way so there is no possibility that a staff member approves the email without looking at the photo. Or what happens when the email is approved but the photo is not. Both would have to be denied. The KCN system at the facility will retain all pictures per inmate (both approved and denied), for future recall/investigation by the facility.

The player has a specific folder called "Photo Album" where all approved pictures are uploaded and stored for display and recall by the inmate. If desired by the inmate, the Photo Album allows for set up and naming of individual folders to organize the pictures within (i.e. Family, Birthday, Winter 2009, etc.). As an additional option for viewing, the player has a slideshow feature where the pictures can be displayed in a slideshow presentation.

The picture program provides several benefits to the sender, inmate, and facility, including but not limited to the following:

**Sender** – The program eliminates the necessities of having pictures developed and then mailing the pictures to the inmate, both are time consuming and costly processes. This program allows the senders to conveniently send pictures from their computer, which are received by the facility almost instantly. It is likely that the sender could take pictures that day which would be reviewed and approved by the facility the following day for upload by the inmate through the kiosk. Additionally, this saves time and energy for facility staff responsible for review as well as has the capacity to store these photos should they be needed for investigative reasons in the future.

**Inmate** – The inmate will receive the pictures much more quickly/timely than the manual process of developing and mailing pictures. Additionally, the increased convenience will often time result in the sender providing more pictures than the manual process. Having the pictures on the player allows the inmate to see the pictures anywhere they have their player. The inmate does not need to worry about where to hand/display the pictures and the pictures being taken.

**Facility** – Allowing pictures to be sent and reviewed electronically provides less effort/time than receiving, opening, and reviewing physical mail. It also eliminates the possibility of putting drugs into the ink on the photos that many times can't be detected by facility staff. Once approved, the program eliminates the necessity of the facility to physically route and deliver the pictures to the inmate, as they are automatically uploaded through the kiosk. The website for sending pictures has a disclaimer which the sender must acknowledge and accept. The disclaimer can tell the sender the rules of acceptance for the picture/content and also that pictures not meeting these rules will be rejected and not be sent to the inmate. In doing so, the facility does not physically have pictures which are not allowed and the process of sending the pictures back or dealing with objections are eliminated. The KCN system also provides for automatic retention and recall of all photos sent in for that inmate. In eliminating the physical pictures the facility is also eliminating the chances for contraband which is sometimes sent on/through physical pictures. As with email, KCN's Data Detective software can provide the facility with automatic reporting of pictures which are sent from individuals on the outside to multiple inmates on the inside, thereby identifying those connections and multiple relationships.

**Additional Options** - Any information approved by the facility for distribution to the inmate, including **education, worship, programming material, facility rules/policies/procedures, and facility messages, can be sent to the Music Manager Kiosk for automatic download to the inmate's player.** At the option of the facility, such messages can be marked in our software to require the inmate to read/acknowledge/accept any messages and their terms, before proceeding with regular use of the player.

In the state of Michigan, we have provided free uploads of meditation in audio format. We are also working with the local communities to provide worship in audio format. We have the ability to provide for any such audio or text information which the facility approves. This information can be provided under "Free Selections" in the player and allow the inmates to mark any such selections for download through the Music Manager Kiosk.

### **Purchase Options**

The entire program, equipment, network, installation, training, and on-going support are provided by KCN at no cost to the state. All fees charged for the products and services provided will be paid by the inmates or users on the outside, and not the State.

### **Player Purchases:**

Inmates order the players with regular commissary which are provided and entered by KCN. The purchase of any players is deducted from the inmates' accounts as with any other commissary product purchases. KCN processes and delivers the player orders to the property officer(s) or directly to the inmates, as determined by the facility.

**Music Purchases:** The inmates' prepaid music accounts are managed and controlled by KCN. Inmates purchase and download music through the music manager kiosks against their prepaid music account balance managed by KCN.

Inmates can order the prepaid music on their regular commissary menus which are provided and entered by KCN. The purchase of any prepaid music is deducted from the inmates' accounts as with any other commissary product purchases. KCN credits the individual inmate prepaid music accounts in the KCN system which allows the inmate to purchase and download music through the Music Manager Kiosk.

Additionally, KCN will host a secured website which allows families and friends the ability to make deposits to an inmate's prepaid music account (i.e. similar to the Securepak program whereas families on the outside are able to purchase a package for an inmate). Deposits made to inmates' accounts are automatically available on the KCN system and allows the inmate to purchase and download music through the Music Manager Kiosk.

KCN will also offer the same process mentioned above, but will allow families the ability to post a deposit to the inmate's prepaid music account via our toll free 1-800 number or mail.

### Generation 3 MP3 Players (Available early 2012)

#### **Mini Maxx Player**

To provide inmates with a low cost player option, we have designed our Mini Maxx player. This player has all the same security features as the standard Maxx MP3 Player and will still be able to search for songs on the player; however, it would not be able to use the Secure Mail and Photo features.

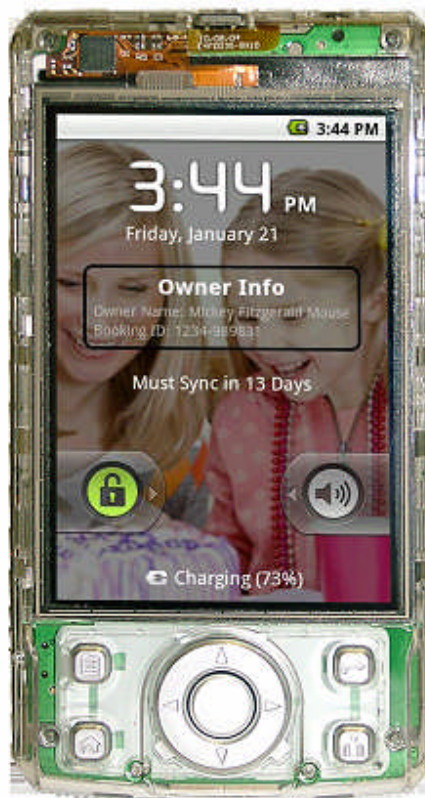
#### **Android Platform**

Keefe Group is in current development for an advanced MP3 player. The advanced media player will include a number of new Self-Service features and share a number of Self-Service features otherwise available on the inmate pod Edge™ Kiosk platform. By enabling mobility of self-service features through its advanced media players Keefe Group minimizes the kiosk infrastructure burden to the Department. Advanced players will operate in off-line mode until synced either at an Edge™ Kiosk, Media Manager Kiosk or a Department endpoint equipped with Keefe Group-Sync software.



**MAXX**touch

**MAXX**slide



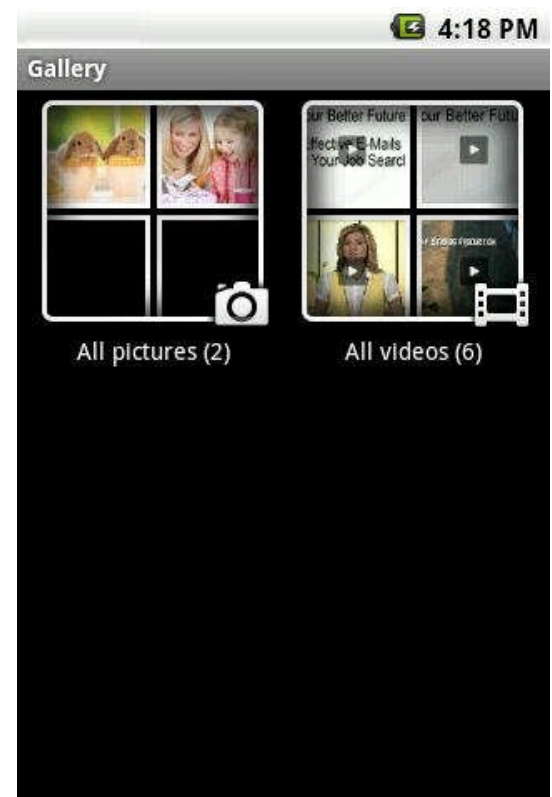
The above advanced players will offer an Android device manager platform which is more efficient and improved from the firmware style devices that are being offered today.



### Advantages of the Android Based Device

Firmware based device software are generally fixed purpose requiring significant effort for modifications or enhancement. Enhancing a firmware based system is further complicated by the limited resources that can perform the enhancements. Since the device manager and applications are the same body of software and built using specialized chip level development environments a typical developer will not know how to program the firmware.

Android based device software provides the core device management capabilities like a firmware based system would but it also supports the addition and provides tools to manage applications that are separate from the device managing software. This allows for an application or enhancement to be developed with no changes to the core device management software. Since these applications are written using standard toolsets there is a much wider developer pool to write applications for the device allowing for quicker turnaround on new features and a longer useful life for the device.



Firmware is developed specifically for the chips for that specific device and as such migration from one model to the next brings significant costs and risks to stability. Since firmware based device software is very tightly tied to the hardware itself there are very small or in some cases no technology eco system supporting the technology.

Android based device software includes software drivers for the chip level components but the core of the system is consistent across devices. This leads to predictable and smooth transitions from one model to the next. Since there are a number of devices built using the same base platform there is a rich technology eco system supporting the core technology. This leads to stability and advanced features that would just not be possible in a firmware environment.

We have selected to go with an Android based device platform to gain all the rich advantages indicated above. We are further modifying the core android to provide the enhanced security and usability items necessary for inmate/facility use. We are not deploying the standard Android but a highly customized locked down version gaining all the benefits while provided all of the flexibility for the future.

This advanced player will have the capability to allow for the following features directly from the MP3 player:

- Music
- E-Messaging
- Photos
- Videos
- Games
- Education – CEA
- Commissary Ordering
- Facility Content

The cost of the 4 GB MP3 Player is \$115.00 and the cost of the 8 GB MP3 Player is \$125.00. The cost of a song is \$1.70.

MP3 MINI MAXX PLAYER (4GB) \$59.99  
MP3 MAXX PLAYER (4GB) \$115.00  
MP3 MAXX PLAYER (8GB) \$125.00  
MP3 MAXX SLIDE PLAYER (8 GB) \$169.95  
MP3 MAXX SLIDE PLAYER (16 GB) \$199.95  
MP3 SONGS \$1.70

Should the state wish to offer email, the cost of each email is \$.60. KCN will pay to the Department, a \$.10 commission on each email sent.

Should the state wish to offer photos, the cost of each photo is \$1.00. KCN will pay to the Department, a .10 commission on each photo sent.

Technology is constantly evolving. Current models become obsolete quickly as newer models replace them. Keefe Commissary Network understands the importance of providing replacements of equal or better value to the inmate population and will always try to maintain an equal or lower price option during times of change. That being said, technology is different than commissary and we ask the state to recognize this with regards to replacement options that offer new and/or additional features.

### **Security and Reporting**

The program provides for full reporting of all activity including but not limited to the deposits, purchases and downloads of music, pictures, and email messages. All email messages and pictures are automatically saved in the system provided at no cost to the state by KCN, for monitoring and approval. Inmates can be called up at any time, and all of their emails and pictures reviewed, including those previously reviewed and approved or denied. The system will retain this information for future recall and investigation.

Our MP3 Deployment Plan has been provided as Attachment U.



- 25 Offerors shall be required to comply with A.R.S. § 41-1604.02 and ensure that all prices offered are no higher than prices of similar retail products.

Keefe Commissary Network will comply with A.R.S. 41-1604.02 and adhered to the ADC market comparison in Attachment 1 to ensure that all prices offered are no higher than prices of similar retail products.

- 2.6 The Offeror should take into consideration when formulating their proposal future growth, to include the expansion of up to 5,000 additional in-state private beds.

Keefe Commissary Network will gladly provide service to exceed the expectations of ADC as it expands.

- 2.7 The Arizona Department of Corrections, Daily Count Sheet which is hereby made part of this RFP by reference is available on the following website link [http://www.azcorrections.gov/Minh\\_count\\_sheet.asp](http://www.azcorrections.gov/Minh_count_sheet.asp) will provide the current monthly inmate population for each institution/facility by month for all ADC locations and all In-State Private Prison Facilities.

Keefe Commissary Network appreciates this direction from the ADC and has reviewed the daily count sheet.

- 2.8 The ADC commissary currently sells personal hygiene goods, food and snack items, over the counter medications and other specialty items to include personal radios, televisions, sneakers, etc. The selected Contractor shall administer all aspects of the operation, including collection of orders, order set ups and product distribution as identified herein.

Keefe Commissary Network currently provides the above mentioned products and services to ADC and has described in detail plans for providing a full service over the counter medication process that will allow ADC to keep their involvement in the process to a minimum.

- 2.9 The total commissary store sales, for the calendar year 2010 (January — December), for all Institutions and all Private Prison Facilities is \$33,511,484.30, see Exhibit # 1



### 3 TASK

- 3.1 Offerors shall propose an off-site bag and drag delivery type operation as the primary method of distribution to include the ability to provide an over the counter medication process as described herein. Offerors shall identify and include services for the ten (10) ADC Institutions and the five (5) In-State Private Prisons.

Keefe Commissary Network (KCN) has developed a strong working relationship with the Arizona Department of Corrections over the past six years. Evolving with the ADC through the life of the current contract has led to what is today an extremely successful and efficient full service off-site bag and drag operation. From filling orders in our totally secure off-site warehouse to staffing on-site and distributing commissary orders at each of the State's facilities, Keefe has worked with the State at every turn to improve service and sales and generate revenue for the ADC.

Additionally, we were chosen independently of the existing ADC contract to provide services to all of the in-state private prisons listed in Exhibit 2. Keefe Commissary Network has detailed our operational plans in this proposal, as well as the procedures we will implement for the handling of your over the counter medications.

Keefe has responded to each section of this request for proposal # ADOC11-00000632 in a line by line format in an effort to provide the most complete response. Should the ADC desire modification or wish to discuss any aspect of this proposal as always KCN will gladly discuss with the ADC.

- 3.2 It is the Offerors responsibility to develop proposals based upon sound business practices. The Department fully expects the selected contractor to fulfill all terms of the contract throughout the contract period.

Keefe Commissary Network currently services nine states (FL, AZ, VA, MS, MA, RI, WV, ID and VT), totaling 200,000 inmates. All totaled, we serve nearly 500,000 inmates nationwide.

Keefe Commissary Network can offer all of the services requested in this RFP and more without relying on additional, outside companies and/or contractors. When considering the size and complexity of your state's operation, experience is a crucial part of the decision process. When it comes to industry expertise, specific ADC system-wide knowledge and being able to fulfill all terms of the contract, there is no better choice than Keefe Commissary Network. KCN stands behind our proposal, making a generous and yet responsible offer to the ADC. KCN is committed to exceeding the expectations of the ADC and fulfilling each aspect of our commitment as deemed by this response.

- 3.3 The Department makes no guarantee, expressed or implied, with regard to actual consumption during the contract period. It should be further noted that changes in the departmental policies and procedures may become necessary during the term of the contract. Those changes could impact commissary activity, either directly or indirectly. Department shall ensure that the contractor is notified should changes be made to the policies or procedures which would impact commissary services.

Keefe Commissary Network understands that changes in departmental policies and procedures may become necessary during the contract and that those changes could impact commissary activity.

In the very rare instance that policy change(s) should result in large decreases in the inmate population (or directly impact sales), Keefe Commissary Network asks that the ADC will be open to discussing the impact on our business and consider renegotiating the terms of our partnership should it be necessary.

- 3.4 Offeror's responding to this RFP should acknowledge areas below that state requirements during the term of a resultant contract and provide any information that is requested within their proposal response in order to evaluate responses accordingly.

#### **4 GENERAL SPECIFICATIONS AND REQUIREMENTS**

- 4.1 During the term of the resultant contract the Contractor shall maintain an adequate inventory of items specified for the service, to fill each inmate's order on the day required. Substitution, deletions, or additions of products or portions specified must have prior approval of the Department. Approved changes shall be handled by formal contract amendment through Procurement Services.

Keefe and KCN currently operate 16 distribution centers totaling over 1,400,000 square feet, shipping over 22 million pounds of inventory per month, and carrying over \$68 million in inventory daily. We inventory and offer over 6,000 items specifically designed for consumption and use in the correctional environment; more commissary products than any vendor in the correctional commissary industry.

We are rarely out of stock, but when we are, we are able to draw on inventory nationwide to address an issue quickly. Keefe has never missed a delivery. Inmate orders will continue to be filled in our totally secure, off-site distribution center located in Fontana, CA

Keefe Commissary Network understands that substitutions, deletions and additions of products must be approved by the Procurement Services Office.

- 4.2 Upon award the Department and the awarded Contractor shall develop the Master list of items approved for sale using Attachment #1, Commissary Price Sheet. For the purpose in determining the items for sale on the Master Store List, Offerors are required to identify their item pricing, unit of measure pricing i.e. ounce etc, item description, size, manufacturer name, manufacturer sku number for all items listed on Attachment #1, Commissary Price Sheet. The Department makes no guarantee that all items listed on Attachment #1 will be items approved for sale upon award. Offeror's should take this into consideration when formulating their proposal.

Keefe Commissary Network has completed and included Attachment #1.

- 4.3 The Department may request product samples to be submitted for evaluation at no cost to the Department.

Keefe Commissary Network will gladly provide any samples requested by the Department at no cost.

- 4.4 The Contractor must establish or have in place, if awarded the contract, a regional office located in Arizona to provide space for support staff assigned to this contract to include internet capability.

Keefe Commissary Network has an office in Phoenix for our regional managers and support staff. It is located

at 1616 Indian School Road, Suite 237, Phoenix, AZ 85016. We will continue to maintain this location.

4.5 During the term of the resultant contract the Department reserves the right to add, delete, restrict or modify items included on the Commissary Master Store List at its discretion based upon security considerations and/or needs and requests of inmate population. Such changes shall be made in writing by the Department and shall become effective only after adequate notification to the contractor is made. Sufficient time will be granted to the contractor to deplete any stock of items to be deleted from the commissary master store product and price list for which the Department is the primary consumer. It should also be noted that there may be cases that due to a security concern on specific items) that immediate action may be requested for modification or removal at which case the Department shall notify the contractor in the most expedient way for immediate action to be taken by the contractor.

Keefe Commissary Network understands the Department's need to be able to add, delete and restrict items based upon security considerations and/or the needs of the inmate population. Keefe Commissary Network will gladly work with the Department when such issues arise.

Some security features of our industry leading products include:

- **All containers shall be made of non-breakable material.**
- **We offer a wide variety of products that feature clear packaging. Clear packaging offers ADC additional security advantages.**
- **We offer a wide variety of products that are resealable. Re-sealable packaging offers ADC and their inmate population additional advantages such as longer product freshness and helps limit pest infestation.**
- **Combs and hair picks shall be made of non-breakable plastic. All consumable products shall be nonalcoholic (mouthwash, etc.)**

4.6 If new items are proposed by the Contractor, during the term of the resultant contract the appropriate information shall be submitted for review and approval to the Contract Liaison. Approved changes shall be made to the Master Store List through a formal contract amendment by Procurement Services.

Keefe Commissary Network understands the process for adding new items and will comply. Keefe will keep the ADC abreast of the latest products in the industry and suggest new items to the ADC as they come to market.

Unlike other providers, Keefe Group has an entire development department (eight experienced individuals) dedicated to designing correctional industry specific products and discovering new products that may be introduced to the correctional market.

Keefe Commissary Network will continue to provide the ADC with new and innovative products, provide samples and introduce them to the inmate population upon approval from the ADC.

4.7 During the term of the resultant contract the Contractor shall propose commissary products that are new to the market for review and approval by the Contract Liaison. The contractor shall provide product samples when requested by the Department. The sample item requested shall be the exact

item to be furnished, and shall have the exact manufacture's label identifying the following: brand, product size, product number/product model number, product ingredients, nutritional values and shelf life date, if required by the FDA/USDA. Offeror's may be required to provide a sample for evaluation purpose and if requested, the item shall have a label identifying the vendor name and the RFP number. Samples shall be furnished at no expense to the Department. If the samples are not destroyed by testing, samples not awarded shall be returned at the vendor's request and expense. If no instructions are received for their return, samples will be discarded 30 days after award date.

Keefe Commissary Network has the largest selection of products. We diligently search for, and are constantly working with manufacturers to develop products that appeal to the inmate population, while adhering to the strict requirements associated with a correctional environment. We agree to propose new commissary products by providing at no charge samples with the above stated information. New proposed items will continue to be correctional friendly with features such as clear and re-sealable packaging.

Keefe Commissary Network is the industry leader. We are partnered with more facilities nationwide than all other providers combined providing more products to inmates throughout the Country than all other providers combined. Unparalleled experience translates to an expert knowledge of product mix and top menu sellers. Combined with superior technology and service, Keefe Commissary Network's products can translate to increases in sales and in turn increases in commissionable return to the ADC.



### Product Quality and Security

Keefe Group has the largest selection of exclusive products superior in flavor, taste, freshness and **more active ingredients** than many name brand products, all with the added benefit of **correctional friendly packaging**. KCN manufactures and distributes commissary items specifically designed for the correctional industry. **KCN's high quality private label brands combined with our relationships with major manufacturers such as Colgate-Palmolive, Chef Woo, Lever, Proctor and Gamble, etc. give KCN an advantage over competitors.** KCN receives direct shipments from manufacturers to ensure product availability. We are neither a middle man nor are we reliant upon others, and in many cases we are the major manufacturers for our products.

KCN/Keefe Group introduced "pouched tuna" to the correctional industry before it was available in retail grocers. This product is an example of health oriented foods that are also "corrections-

friendly." **We own and operate our own manufacturing plant with "correctional packaging" as the primary design.**

4.8 Due to security reasons the Department may have specific packaging guidelines. These guidelines shall include on many products specific requirements that no metal, no glass, or any sharp objects on the packaging be used.

**Unlike other vendors who cross over from other business areas, Keefe Commissary Network works strictly with correctional facilities.** We understand the security concerns that relate to product packaging and do not offer products that contain any of the above mentioned items. All of our containers are made of non-breakable materials and are clear and/or re-sealable where available. All of our consumable products are non-alcoholic (mouthwash, etc).

Our security consciousness applies to our operation as well. KCN offers security measures above and beyond State requirements including our own background checks of all employees, drug screening and financial checks prior to hiring of each employee. Should a promotion or accident occur, KCN does additional drug screening. KCN will continue to adhere to this provision. No other vendor understands the sensitive nature of the corrections industry to the extent of KCN. KCN provides these services “in-house,” for added assurance of our commitment to security.

The security measures in place at our Fontana warehouse are listed below. If interested, KCN invites the state to visit our warehouse. We believe you will find that no other vendor will compare.

1. Security cameras in warehouse and office.
2. Collared KCN uniform polo shirts.
3. Tool display box for sign in and sign out.
4. Sign in and out logs for truck keys, vending keys, tools.
5. Alarm system installed.
6. High cost items in a security cage.
7. Complete employee policy and procedure compliance agreement. Signed and filed for inspection at any time by the State.
8. Lockable file system for confidential papers.
9. Single point of entry for personnel and visitors.
10. Driver's cage installed and used.
11. Door alarms on all exit doors in the warehouse.
12. Locks on all roll-up doors.
13. Only assistant manager, manager, sales staff and upper management personnel have keys.
14. All exit doors in warehouse (except the driver's doors) are kept locked at all times.
15. The entire warehouse is alarmed and only the personnel with keys have the password.

4.9 Offeror shall provide with their proposal response, a copy of all manufacturer warranty policies on specialty items such as radios, TV's, etc. Offeror shall also identify their own policy if any that may apply on any of these items offered. It should also be noted that specialty items shall be engraved with the inmate number by the Department. Offeror's should take this into consideration when formulating their proposal.

Keefe Commissary Network's return policy is based on “good faith” practices by the facilities and by KCN. All commissary items, including personal property found to be defective and/or damaged at the time of delivery



or inspection will be refunded immediately by the on-site commissary manager.

Any electronic items with a purchase price of \$10.00 or higher will be repaired or replaced free of charge within the first 30 days from date of delivery. Keefe Commissary Network recognizes the Department's need to engrave all inmate personal property, as directed by DO 909, Inmate Property. KCN will honor all engraved items sold through the Inmate Commissary designated as personal property. The 30 day warranty only applies to item defects, not items that have been determined to be misused or abused. Upon expiration of the 30 day warranty, the manufacturer's warranty, if applicable, takes effect.

All electronic items \$10.00 and over reported defective after the time of delivery must be inspected by the ADC Property Room and, if found defective, the item will be turned over to the Commissary manager who will ship the item to the Keefe distribution center for further inspection.

Proper sizing of all clothing and shoes are the responsibility of the purchaser and return/warranty issues can not be addressed once the item has been marked for identification.

Warranty information on specialty products has been provided under Attachment E, "Warranty Information".

4.10 The Contractor shall ensure price, service and quality conform to the Contract. Freshness of merchandise and adequacy of expiration dates shall be assured by the Contractor during the term of the resultant contract.

KCN manages inventory on a daily basis. Product is received and rotated for distribution on a "first in first out" basis. Extensive physical inventories are completed at minimum twice annually.

KCN assures the ADC that products will be fresh and always within expiration dates.

4.11 The Department is going to a stamp-less system, wherein all Offerors are to include the following item and sample item in their proposal response:

4.11.1 #10 Pre-printed stamped, white business envelope; with no window, reading the following return address:

4.11.1.1 INMATE MAIL: ARIZONA DEPARTMENT OF CORRECTIONS  
Inmate \_\_\_\_\_  
ADC # \_\_\_\_\_  
Arizona State Prison Complex \_\_\_\_\_  
Unit \_\_\_\_\_  
City \_\_\_\_\_ AZ \_\_\_\_\_

Keefe Commissary Network will provide, and has sent a sample of, the #10 pre-embossed stamped white envelopes with the above noted information on the following page.

We will continue to offer stamps used for International and Mexican/Canadian mailings that can be applied to the envelope described in Amendment three.

4.12 Annually and no later than July 15th, the Contractor shall supply the Department with independently reviewed or audited financial statements. Financials shall include information on the Contractor's dealings with ADC, as well as the entire company's business dealings. The purpose of these financial statements shall be to demonstrate the Contractor's viability as well as to provide transparency in their dealings with the state.

Keefe Commissary Network has included our most current independently audited financial statements as Attachment F. KCN would ask that the ADC please keep these statements confidential. We will provide this information on an annual basis.

Below is a brief description of the development of Keefe Group over the past 36 years. Keefe Group is in good standing and financially secure.

## **COMPANY HISTORY AND BACKGROUND**

### **The Centric Group**

The Centric Group Limited Liability Company (L.L.C.), formerly known as the Enterprise Capital Group, was established in 1974 to diversify the financial interests of the Jack C. Taylor family, owners of Enterprise Rent-A-Car. Centric Group L.L.C. was formed in July, 1999 when the Enterprise Capital Group was spun out from Enterprise Rent-A-Car. The Centric Group is the managing parent company of four (4) principal businesses: the Keefe Group, Boone Valley Golf Club, Inc., Courtesy Products/Packaging and TRG Group. Combined, the Centric Group achieved sales of over \$784 million in 2010, with 2,459 employees. The Keefe Group, comprised of Keefe Supply Company, Access Catalog Company L.L.C. and Keefe Commissary Network L.L.C., is the major contributor to Centric Group's revenues with staffing of 2,095 employees nationwide and 2010 sales of \$626 million. **KCN alone employs 1,706 employees and achieved 2010 sales revenues of \$284 million.**

### **Keefe Supply Company (Keefe): Bulk sale operations to in-house correctional commissaries**



Keefe, a member of Keefe Group, has been servicing the commissary needs of the corrections industry since 1974. In its nearly 37 year history, Keefe has become the leading manufacturer and distributor to the correctional market, serving 1,464 institutions nationwide. Responsive customer service, high quality products, and value have been the key reasons why customers value our offerings above those of our competitors. Keefe and KCN currently operate 16 distribution centers totaling over 1,400,000 square feet, shipping over 22 million pounds of inventory per month, and carrying over \$68 million in inventory daily. We inventory and offer over 6,000 items specifically designed for consumption and use in the correctional environment; more commissary products than any vendor in the correctional commissary industry.

### **Keefe Commissary Network (KCN): Provider of Outsourced/Private Correctional Commissaries**



KCN is the largest supplier of privatized commissary operations in the United States. KCN services 768 facilities and nearly 500,000 inmates across the country, more inmates than all of our competitors combined, partnering with over 57% of the out-sourced correctional commissary inmates nationally and over 69% on the West Coast.



Keefe Commissary Network's experience and history illustrate why we are the undisputed Commissary Expert. No other company can match our vast and diverse customer base, nearly 37 years of experience in the corrections industry, customizable innovative technology, or quality services and products designed specifically for the corrections market. The financial stability of KCN, as evidenced by our company history, means we are committed to the Department's success for the long term. NO other provider has the experience, history, expertise, market share or resources at their disposal to provide the best service to ADC than Keefe Commissary Network (KCN)!

Below are the highlights of KCN's history:

- KCN is currently partnered with over 750 correctional facilities nationwide totaling over 490,000 inmates, in 41 states.
- At the state level, nine State DOCS comprising of over 200,000 inmates, have outsourced their commissary service operations. KCN has partnered with all nine of the states (FL, AZ, VA, MS, MA, RI, WV, ID and VT), totaling over 200,000 inmates.
- KCN employs over 1,700 employees with 2010 sales revenues of \$284 million.
- KCN services more inmates than all its competitors combined including: Swanson, Aramark, and Canteen, etc.
- During its history KCN has grown more rapidly than the market itself, increasing its market share by offering superior technology, services and product value. On the West Coast alone, KCN is partnered with over 69% of the out-sourced commissary inmate population and over 57% nationally.
- KCN's entire inmate trust accounting system is utilized by approximately 50% of our customers.

The graphic below illustrates the current commissary market with KCN's growth relative to other providers. KCN is clearly the leading and most preferred commissary provider nationwide!



KCN views each account as a true partnership. Our company mission statement of “Serving our Customers with Integrity and Innovation” resonates with everything we do. The best measure of our success in this endeavor is to evaluate our retention rates. Simply put, customers who partner with KCN, stay with KCN. In the Western Region alone, we have had over 95% of our contracts renewed, extended or re-awarded in the past five years! Our focus on trust, accountability and responsibility leads to these staggering results for the long term!

KCN is partnered with more facilities similar to the Arizona Department of Corrections than all other providers COMBINED.

At the state level, nine entire states, totaling over 200,000 inmates, have outsourced their commissary service operations. KCN has partnered with all nine (FL, AZ, VA, MS, MA, RI, WV, ID and VT), totaling over 200,000 inmates.

- 4.13 The awarded contractor shall purchase any and all existing ACI product inventory from the existing contractor at the cost the contractor originally purchased the items. ACI product inventory shall be purchased and transferred from the existing contractor within 20 days after the Contractor implements its service.

Keefe Commissary Network has enjoyed a good working relationship with ACI and currently purchases items from ACI. There will be no disruption in service should Keefe be selected, as KCN maintains ample inventory of the described items.

- 4.14 The Offeror shall propose an off-site bag delivery type operation. The Offeror shall define in detail the operations for an off site secure bag and delivery system for all approved commissary items, to include ice, candy bars, ice cream, bread and any other type items requiring care for delivery.

Keefe Commissary Network will continue to offer the Department an off-site commissary bagging operation with on-site delivery. Inmate orders will continue to be collected and scanned weekly by our on-site commissary staff. Unlike other providers, Keefe Commissary Network writes, owns and supports our own software. Our KCN ordering software will continue to monitor and uphold any and all restrictions and limits as determined by the Department.

Orders are sent electronically, via modem, where they print and are individually filled in our 100,000 square foot distribution center located in Fontana, CA. Our Fontana, CA distribution center employs 116 full time staff.

This staff includes 33 order fillers, two property managers, five stockers, two Keefe ADC managers/leads, two shippers, one administrative assistant, one pre-pull supervisor and one security officer dedicated strictly to our Arizona operation. As an added security measure, all have passed a thorough background check and drug screening provided by Keefe at no cost to the ADC. Having these employees in California is an added security benefit as it presents less opportunity for those closest to inmates to infiltrate a vendors’s workforce and introduce contraband to a commissary order.

The individual orders are processed and sealed in clear, perforated, plastic bags that contain the order receipt. The processed orders are then loaded into plastic delivery totes to keep damage and on-site waste to a minimum. This process minimizes the need for unnecessary use of cardboard boxes. The totes are organized and marked for delivery.

The orders are then shipped to the institution on dedicated freight trucks. Orders are received by our Keefe Commissary Network on-site staff. Keefe Commissary Network will continue to utilize the current commissary stores and space to stage pre-packaged orders and perform delivery. KCN will continue to comply with all rules, regulations, policies and procedures of the facility. Additionally, KCN will continue to pay for the use of this Department warehouse space as outlined in this RFP.

KCN's on-site staff will deliver the orders in full compliance with the rules, regulations, policies and procedures including positively identifying the inmate and ensuring all of the items charged are delivered in full and to the complete satisfaction of the inmate. **KCN recognizes inmates as customers and makes every effort to treat them as such.**

Keefe Commissary Network works closely with our vendors to ensure timely deliveries of approved commissary items such as ice, ice cream, bread and other items requiring special care for delivery. Specific details of our entire operation are listed below.

## SCHEDULING

Keefe Commissary Network has, and will continue to work with the Department each December to establish the following year's commissary schedule by facility, for scanning, commissary delivery and credit file pick-ups.

The following elements are taken into consideration for each facility when producing this schedule:

- State only Holidays
- State and Keefe Holidays
- Current scanning days (by facility)
- Current credit file sending days (by facility)
- Current credit file pick-up days (by facility)
- Freight Company schedules
- Current facility delivery schedules
- Warehouse schedules
- Special events (example: Keefe inventory)
- Two week schedules (example: Christmas and New Years)
- Special facility instructions (example: Lewis cannot scan on Monday nights if there is a Monday State holiday)

Schedules include a regular (normal) operating schedule, a holiday schedule (for each holiday observed) and a special events schedule. We are aware of the Department's recent decision to implement furlough days and are working with them to address uploads/downloads in the same way. Once approved the schedule is forwarded to Offender Operation, the DOC IT Department, the warehouse and Commissary Managers.

Schedule reminders are sent out to Commissary Managers, the freight Company, the warehouse and the State whenever there is an upcoming holiday or special event that will disrupt the normal schedule. Additionally, our on-site commissary managers keep the facility abreast of any schedules changes well in advance and give the facility reminders of changes for upcoming holidays or special events. Commissary managers meet with all commissary staff in advance of an upcoming schedule change to ensure all staff is aware of the changes and what the impact will be on normal operations.

Ample supplies of weekly on-site items (bread, soda, ice cream and ice) are ordered in advance as to not impede operations even further during the week of operating off the "normal" schedule.

We have included our complete delivery schedule for all recognized holidays in Attachment G.

## DELIVERY

Keefe Commissary Network fills every individual order in our totally secure off-site warehouse. Once orders are complete they are checked for accuracy and then shipped to the various ADC facility sites.

Three full service methods to deliver commissary orders to inmates in Arizona are utilized. These three methods are:

1. Window Delivery -- delivery of commissary to inmates via a window or storefront type operation.
2. Bag and Drag Delivery -- Keefe staff receives and delivers commissary to inmates.
3. Department Assisted Delivery -- Keefe staff receives and checks each order and then passes it on to Department staff for delivery to high security inmates.

Keefe employees complete the entire delivery process for the Window and Bag and Drag Delivery methods.

The third method, Bag for DOC delivery, is a shared responsibility as Keefe employees are not permitted access into high security inmate housing locations.

Below is a summary of how all three methods are accomplished:

### Window Delivery:

- Inmates are assigned to work in the commissary store and assist our on-site staff with distributing orders to inmate customers.
  - **Bag Prep:** One inmate is assigned to stage orders, sodas and bread in preparation for distribution of commissary orders.
  - **Delivery:** Orders are handed out by an on-site Keefe employee via the store's window. A second inmate is assigned to assist with the delivery of the commissary orders. The inmate is responsible for taking items out of the bags so the Keefe employee can check them against the receipt before being distributed.
  - **Runner:** A third inmate is responsible for receiving ID's and matching them up with the corresponding orders. This worker is also available to help with other duties should the need arise. (This position may or may not be needed depending on operational requirements.)
- Delivery staff will keep all commissary bags, totes and carts within their physical control at all times and will never leave any of these items unattended.
- An order is never opened until the receiving inmate's identity is checked and it is established that the correct inmate is standing before our on-site delivery staff.
- Commissary orders are transferred from the plastic bag they arrive in to the inmate's laundry bag. At no time does an inmate receive the plastic bag used for shipment.

- Delivery staff checks the identification of every inmate **prior** to handing out orders. This ensures that the correct inmate receives their order. The inmate name and identification number on the identification badge must match the name and identification number on our receipt. The picture on the identification badge should look like the inmate receiving the order. If any of these three things do not match, our on-site delivery staff will not deliver the order.
- After positively identifying the inmate, our delivery staff will pull the receipt out of the bag and look to see if there are any high security items listed under the **Secure Items** heading on the receipt. High security items consist of tobacco products, postage, ice tickets, etc.
- If high security items are listed on the receipt, the onsite staff will verify the quantity. The delivery staff will place a circle around the quantity and verbally inform the inmate that all of the items are accounted for prior to having the inmate sign.
- On-site staff will ensure that all inmates print and sign their name on the receipt. Delivery staff will compare signatures on the original Scantron forms if they are unclear or inmates are having trouble signing or spelling their names.
- Once the order is distributed, the inmate will receive the duplicate copy of their signed receipt. All completed order forms are secured.

**Bag and Drag Delivery:**

Security considerations prevent some inmates from going to a common location outside of their assigned housing unit. In these instances Keefe employees prepare commissary orders for delivery by transporting orders into the inmate housing unit with assistance from assigned inmate workers.

- The orders for inmate housing units requiring this method of delivery are loaded into carts for transportation. A sufficient quantity of high security items are prepared and taken along for delivery.
- The Keefe employee coordinates with security to arrange a suitable time for delivery in the housing unit and proceeds to the location along with two inmate workers who help in the delivery process.
- Depending on the housing unit configuration and preferences of security personnel, arrangements are made to deliver inmate orders directly to them at the cell front or in an alternate location as designated by security.
- A list of inmates receiving orders is provided to the security officer and arrangements are made to allow one inmate at a time to receive his/her commissary order. Only one order is distributed at a time.
- Delivery staff keeps all commissary bags, totes, and carts within their physical control at all times, never leaving them unattended.

- At no time is an order opened until an inmate's identity is checked and confirmed that it matches the order.
- Commissary is distributed to the inmates from the plastic bag they arrive in to laundry bags or handed to the inmate and placed directly into their cell. At no time does an inmate receive the plastic bag that was used to ship the order.
- Delivery staff checks the identification of every inmate **prior** to handing out orders. This ensures that the correct inmate receives their order. The inmate name and identification number on the identification badge must match the name and identification number on our receipt. The picture on the identification badge should look like the inmate receiving the order. If any of these three things do not match our on-site delivery staff will not deliver the order.
- After positively identifying the inmate, our delivery staff will pull the receipt out of the bag and look to see if there is any high security items listed under the **Secure Items** heading on the receipt. High security items consist of tobacco products, postage, ice tickets, etc.
- If high security items are listed on the receipt the onsite staff will verify the quantity. The delivery staff will place a circle around the quantity and verbally inform the inmate that all of the items are accounted for prior to having the inmate sign.
- On-site staff will ensure that all inmates print and sign their name on the receipt. Delivery staff will compare signatures on the original Scantron forms if they are unclear or inmates are having trouble signing or spelling their names.
- Once the order is distributed, the inmate will receive the duplicate copy of their signed receipt. All completed order forms are secured.

**Department assisted Delivery:**

Per DOC request, Keefe Commissary Network does not deliver or assist in delivering commissary to inmates in detention units or maximum custody housing. Our on-site staff will verify in advance that all commissary products are present in the bags prior to handing them over to DOC security personnel for distribution.

- Delivery Agents will keep all commissary bags, totes, and carts within their physical control at all times and will never leave any of these items unattended.
- On-site staff, with the assistance of an assigned inmate worker will open and complete inventory of all of the products listed on the receipt to ensure all items listed on the order are present. Any shortages (out of stock, damages, etc.), or similar notations will be recorded on the receipt.
- All approved high security items will be placed inside the bag once an inventory has been completed and the order will be sealed and placed in a delivery tote or cart for transportation to the housing unit. This process continues until all orders are positively inventoried and prepared for delivery.



- Once all of the orders have been inventoried and prepared for delivery to the housing unit the on-site staff contact security and arrange to either take them to the housing unit or have the orders picked up by security personnel.
- A roster is printed listing all inmates receiving orders and is used by our on-site staff and DOC security personnel to inventory and account for individual orders. DOC staff sign for orders being delivered to high security inmates.
- Once the commissary is distributed the inmate is provided a duplicate copy of the signed receipt.
- All receipts are collected and returned to our on-site staff.

**Property Processing:**

- Commissary Managers at each complex work with Mail and Property Room Officers to inventory property items that are distributed through Property.
- Keefe provides a list of all property items being sent to the Property Room. After completing an inventory and verifying that all items and orders are present our on-site staff and Property Room Officer sign the list and a copy is retained by each.

Attachment G outlines the type of delivery and our delivery schedule for each unit in the state.

- 4.14.1 The institutions are classified in 4 custody levels, minimum, medium, close and maximum custody. Minimum being the least restrictive and maximum being the most restrictive.
- 4.14.2 The Contractor shall be responsible for deliveries to a specific distribution point in each facility on a weekly basis as determined by the Department.
  - 4.14.2.1 Minimum and Medium custody level bags shall be delivered to store locations and be issued to the inmates by the contractor.

**Response to 4.14.1 -4.14.2.1**

Keefe Commissary Network is familiar with the delivery process for minimum and medium custody inmates. KCN agrees to continue to issue orders to inmates from store locations with delivery agents and appreciates the Department assistance with high security inmates.

Should the Department wish to adjust or modify schedules, Keefe as always will work with the Department to improve service levels.

- 4.14.2.2 Close custody level bags shall be delivered to each housing unit and be issued to the inmates by the contractor.
  - 4.14.2.2.1 Inmates will be brought from their cell into the pod area to

receive their commissary order. This shall continue until all inmates in the housing unit receive their order.

Keefe Commissary Network is familiar with the delivery process for close custody inmates and agrees to continue to issue orders to inmates within each housing unit.

4.14.2.2.2 Department Security staff shall be responsible for maximum custody deliveries from the distribution point.

Keefe Commissary Network is familiar with the delivery process for maximum custody inmates. As described above, our Keefe Commissary Network on-site staff inventories all orders for maximum custody inmates prior to giving them to Department Security staff for distribution.

4.14.3 The Department provides each inmate with a standard issue of state-issued clothing (i.e., Socks, T-shirts, etc.). All state-issued clothing is imprinted as Department property and purchased from Arizona Correctional Industries (ACI). In addition, inmates are allowed to purchase additional ACI clothing item, as personal property, according to the purchase levels designate in DO 909, Attachment A.

Over the past six years, Keefe Commissary Network has established a strong working relationship with Arizona Correctional Industries. We currently offer the inmate population the option of ordering additional ACI clothing items through commissary via our menu.

4.14.3.1 The Contractor shall make available for purchase the following ACT clothing items and shall purchase from ACI:

- 4.14.3.1.1 T-shirts
- 4.14.3.1.2 Undershorts
- 4.14.3.1.3 Shirt
- 4.14.3.1.4 Pants
- 4.14.3.1.5 Sweat Pants
- 4.14.3.1.6 Sweat Shirts
- 4.14.3.1.7 Athletic Shorts
- 4.14.3.1.8 Panties (Female Inmates Only)
- 4.14.3.1.9 Bras (Female Inmates Only)
- 4.14.3.1.10 Current ACI Clothing pricing is noted on Exhibit #6.

Keefe Commissary Network currently purchases from ACI, and makes available for purchase to the inmate population, all of the above listed clothing items. Additionally, Keefe Commissary Network purchases and offers Velcro belts and calendars from ACI. Keefe Commissary Network will continue our relationship with ACI should we once again be selected as the preferred provider.

4.14.4 Over-the-Counter (OTC) Medication process:

- 4.14.4.1 The Department has developed nursing assessment protocols that provide guidance to Department Health staff to address many non-emergency conditions which may be alleviated by one or more Over-the-Counter medications.
  - 4.14.4.1.1 Department nurses shall assess inmates and shall determine whether the immediate need is for an Over the Counter medication.
  - 4.14.4.1.2 Department nursing staff shall provide the inmate with an initial 14-day treatment of OTC medication from the on-site stock. Nursing staff shall complete a disbursement sheet identifying the medications provided to ensure the Contractor is provided the sheet and can charge against the inmates account for the medications.
    - 4.14.4.1.2.1 The contractor shall provide the inventory for the health unit's on-site stock to make available this initial 'nursing treatment protocol' supply to the inmate.
  - 4.14.4.1.3 The nursing staff shall then refer the inmate to the contractor for future OTC needs for the presented physical complaint.
- 4.14.4.2 The offeror shall propose a process that supports maintenance of essential stocking levels at identified on-site locations (See Exhibit #2); collection of disbursement signatures or documents from medical units for OTC's that were distributed by nursing staff; posts charges to inmate's accounts and process to restock the on-site location's inventory.

Response to 4.14.4 - 4.14.4.2

Keefe Commissary Network already has established inventory controls set up in our computer system to manage on-site items such as ice, ice cream and soda sold throughout the state. We will manage Over-the-Counter (OTC) medications in the same fashion.

We will establish a minimum 10 day usage safety level for each individual health unit. Each week our on-site staff will conduct a physical inventory and provide all staffed health units at each complex listed in Exhibit #2 with the quantities necessary to maintain the established 10 day supply of the OTC products listed below. In addition, we will store a surplus supply of product equal to a 20 day supply for the entire complex at our on-site location. This surplus will enable us to respond to unique situations that would include spikes outside the typical established usages. Further, we will inventory at least a 30 day supply for the state at our warehouse in Fontana, CA. This product will be available and could be sent and received the following day if necessary.

The enclosed written OTC request and management form will be used by our staff to conduct weekly physical inventory counts at each staffed health unit throughout the state.

At this time our staff will “refill” inventory on all items. The form will be printed in duplicate so a copy can be retained by the health unit and by KCN staff.

Keefe Commissary Network will provide the Department with a full service OTC solution where we will post charges to the inmate’s accounts. Our on-site staff will pick up inmate OTC orders from each health unit daily (Monday through Friday).

Inmates who are approved by the health unit to receive OTC medications will use the enclosed written OTC request form. This form lists all of the items below along with their item numbers and sale prices. The inmate will fill out and sign the form and submit it to the health care provider. Upon dispensing the medication the health care provider will sign the form. The form will be printed in triplicate so a copy can be retained by the inmate, the health unit and by KCN Staff.

Any orders dispersed over the weekend would be picked up and keyed on the first day of the following week. Orders would be entered and billed daily by our on-site staff. Prior to entering the order, our on-site staff would check the inmate’s balance. If the inmate has the funds necessary to complete the transaction we will charge his account for the amount due. If the inmate is indigent, we will bill the state for the amount due at the end of each month.

Under this process, entering and billing orders on a daily basis is essential for recouping the cost of product that has already been provided to the inmate. The current process does not allow for us to process orders (uploads) on a daily basis. We ask that the state grant permission to allow these daily uploads at each location. Allowing daily uploads for over the counter orders to capture funds versus waiting for the current weekly upload is in the best interest of the state, as charges for inmates without funds (indigent) would be charged to the state. Alternative options to daily uploads would involve a real time interface or the state using our commissary and inmate banking software. If these are of interest to the state we will gladly discuss.

- 4.14.4.3      The offeror's detailed description of the proposed process shall also include; development of a written OTC request/order form for inmates; collection and management of the OTC request/order form; contractor verification of the inmate's authorization to access the items and quantities set forth in Department Order (DO) 909, Inmate Mail/Property and Stores, Attachment A (See Exhibit #5); frequency and/or schedule of delivery; and delivery of inmate ordered OTC medications to the inmate within 7 days of receipt of the request for store purchase.

Under Attachment H - “OTC Forms” please find Keefe Commissary Network’s written OTC request/order form for inmates and a written OTC collection and management request/order forms for health unit staff. Keefe Commissary Network staff will pick up and enter OTC orders daily. Any OTC items provided to indigent inmates will be charged to ADC and billed on a monthly basis. Any inmate orders for additional supplies can be ordered through commissary and will be delivered the following week if allowed by custody level and DO 909.

- 4.14.4.4      Disbursing sheets shall be collected from the health unit on a regular basis by the on site contract representative.

The enclosed written OTC request and management form will be used by our staff to conduct weekly physical inventory counts at each staffed health unit throughout the state. At this time our staff will “refill” inventory on all items. The form will be printed in duplicate so a copy can be retained by the health unit and by KCN staff.

Inmate order forms will be collected at the same time.

- 4.14.4.5 Quantities of medications (at the health unit and the contractor's primary distribution site) shall be set by the Department/Health Services and limited to a number that can easily be managed; to support maintaining, filling, and response to the expected volume of requests. Restocking requests shall be fulfilled by the vendor within 7 days of receipt of the request from the health unit.

Keefe Commissary Network will work with the Department/Health Services to establish a minimum 10 day usage safety level for all items listed below at each individual health unit throughout the state. If, for some reason, a health unit would run out of stock on an item, a call to our on-site staff could be made and additional product would be delivered from surplus inventory stored on-site.

- 4.14.4.5.1 The inventory shall be maintained with a supply as calculated by the prior usage history provided by the Department (See Exhibit #11).

Keefe Commissary Network will use the Department’s prior usage history to start this program. We will work with the Department using our product usages to establish a minimum 10 day usage safety level ensuring each health unit will always maintain an ample supply of medications.

- 4.14.4.5.2 Each health unit should be stocked with a 10 day supply of the following Over the Counter medications:

- 4.14.4.5.2.1 Aspirin (325mg x 24 tablets)
- 4.14.4.5.2.2 Ibuprofen (200 mg x 24 tablets)
- 4.14.4.5.2.3 APAP (acetaminophen) (325 mg x 24 tablets)
- 4.14.4.5.2.4 Chlorpheniramine (4mg x 24 tablets)
- 4.14.4.5.2.5 Liquid Antacid (355 ml or 12 oz)
- 4.14.4.5.2.6 Magnesium Hydroxide (360 ml or 12 oz)
- 4.14.4.5.2.7 Psyllium Fiber Laxative (368 gm or 11 oz)
- 4.14.4.5.2.8 Hydrocortizone Cream 1% (30 gm or 1 oz)
- 4.14.4.5.2.9 Tolnaftate Cream (15 gm or 0.5 oz)
- 4.14.4.5.2.10 Triple Antibiotic Ointment (30 gr or 1 oz)
- 4.14.4.5.2.11 Hydrocerin Cream (120 gm or 4 oz)
- 4.14.4.5.2.12 Lobana Lotion (240 ml or 8 oz)
- 4.14.4.5.2.13 Carmex (11 gm)
- 4.14.4.5.2.14 Hemorrhoid Cream/Ointment (30 gm)
- 4.14.4.5.2.15 Tolnaftate Foot Powder (45 grams)

- 4.14.4.5.2.16 Analgesic Balm (1 oz)
- 4.14.4.5.2.17 Sunblock (30 SPF, 120 ml or 4 oz)

Keefe Commissary Network has reviewed the above list of OTC medications and is more than capable of supplying 10 days worth of each OTC medication to each individual health unit throughout the state.

- 4.14.4.6 The contractor shall be responsible for any licensing requirements and OTC medication life expiration requirements required by the Arizona Board of Pharmacy and other regulating agencies.

Keefe Commissary Network currently holds annual permits for OTC sales at each of the inmate stores throughout the state (see Attachment J - "OTC Permits"). This complies with the licensing requirements of the Arizona State Board of Pharmacy.

We previously contacted Tiffany Poetsch at the Arizona State Board of Pharmacy to inquire about any requirements involved with supplying OTC medication to the health units. We were told that the health units operate under Health Services and do not require an OTC permit. The OTC product they are providing is dispensed under the authority of a doctor or properly licensed entity (nurse practitioner, PA, etc.).

- 4.14.4.7 It is the intent of this OTC process to limit Department staff involvement in the inmate's acquiring over the counter medication.

Other than the Health Services employee staffing the health units, our OTC process described above eliminates the need to involve any Department staff.

#### 4.14.5 Holiday Store Items

- 4.14.5.1 On an annual basis in accordance with DO 909, Procedure 909.06, Section 1.2, Paragraph 1.2.3, the Contractor shall carry specialty Holiday Store Items, designated by Offender Operations, for sale during a specific annual period. The Offeror shall provide a plan for holiday items. The plan may include prepackaged holiday items, consisting of one or more items for sales as a package. All items must meet Department security standards and any statutory requirements such as ARS 41-1604.02.

Keefe Commissary Network has offered and will continue to offer holiday items for sale during a determined annual period. Our vast amount of products allows us to offer new and existing items for this program. In previous years, KCN has offered 20-30 new items for this program. The highly successful program is a great goodwill gesture to the inmate population and generates additional revenue for the state. Attachment K is the sample menu we provided for the 2010 Holiday Program.

- 4.14.5.1.1 During the term of the contract, the Holiday Plan shall be submitted no less than 60 days prior to the effective sales period.

Keefe Commissary Network works closely with the Department on the



creation of the holiday menu and submits it for approval far in advance of the noted 60-day deadline. We will continue to submit the Holiday Plan at least 60 days prior to the start of the program.

4.14.5.1.1.1 The effective sales period should be for a term of 4 weeks. Any extension must be approved by the Department and the Procurement Services Office by formal amendment.

Keefe Commissary Network understands that the sales period runs for 4 weeks and that any extension must be approved by the department and Procurement Services.

#### 4.14.6 Secure Packaging

- 4.14.6.1 In accordance with DO 909, Procedure 909.01, Section 1.3, the Contractor shall provide as plan to incorporate Secure Packaging within the commissary program to all institutions. All items must meet Department security standards and any statutory requirements such as ARS 41-1604.02
- 4.14.6.2 Offeror's should provide complete pricing within their proposal response that provides the items available for sale under a secure packaging program, the prices of the items for sale and any other costs associated with the secure packaging program.

Keefe Commissary Network is the only vendor with experience running a package program for a state the size of Arizona. In fact, we currently run package programs for TWENTY THREE (23) state Department of Corrections nationwide. Our Access Securepak program offers the most comprehensive custom secure package program in the correctional industry. It is designed to meet the unique needs of correctional facilities and your inmates' loved ones. A custom program is important because family and friends prefer the ability to choose individual items and determine the dollar amount they want to spend. Not all vendors provide this service.

**Some vendors offer pre-determined, already packaged kits, but our experience shows that they do not generate as much interest and limit revenue.** The addition of this program will be well received by the inmates' family and friends and also provide the state with an additional revenue stream. Securepak orders are limited to one per week and delivered weekly by our on-site delivery staff in conjunction with regular commissary delivery schedule.

With customized catalogs, pre-printed order forms and a website designed specifically for the Arizona Department of Corrections, our program allows family and friends the opportunity to choose the method that best suits their needs. We offer the widest means of payment including credit cards, debit cards, prepaid credit cards, cash advance cards, cashier's checks, money orders and for inmates wishing to order for themselves, institutional checks.

**Keefe Commissary Network is unique in that we offer three methods for placing orders.** We have developed and will provide an easy to use website designed specifically for the families and friends of inmates incarcerated by the Arizona Department of Corrections. We invite the Department's review committee to visit our ADC specific website at [www.arizonapackages.com](http://www.arizonapackages.com). The website will say "the store is currently closed", but please enter "Securepak11" as the pass code to get in and view this site.

We have included a sample Arizona catalog (Attachment L), order form (Attachment M) and poster (Attachment N).

Keefe Commissary Network has an established toll free customer service phone number (1-800-546-6283) for placing and checking on orders. We operate two Call Centers: one at our corporate headquarters in St. Louis, Missouri and a second located in St Charles, Missouri. Between the 2 locations, we employ 63 agents dedicated strictly to order entry and customer service related issues. The call center is open Monday – Friday, 5:30 a.m. to 9:00 p.m. PST and Saturday, 8 a.m. to 2 p.m. PST. Our state-of-the-art call center makes ordering a simple process and is a great convenience for the families and friends placing orders for their incarcerated loved ones. Our toll free number is also available 24 hours to check orders and confirm shipments. We also have a separate customer service department that only keys mail orders located in Sparks, Nevada.

Because a large majority of orders are placed via phone or web we are able to alert our customers of items that are not available when they are placing their orders. Different from commissary, like item substitutions of equal or greater value are allowed with the purchaser's prior approval. We try to offer new and exciting products through our Securepak program to spark interest and increase revenue. Because there are many retail food products, our Securepak menu is more inclined to changes based on the retail industry. To keep the menu fresh, we update our Securepak menus at least bi-annually. We will review all discontinued, deleted and new items with ADC prior to moving the new menu into place. There is a processing fee that applies to all orders. Keefe Commissary Network will pay the same commission rate on Securepak as on commissary. Securepak commission equals total sales minus processing fees.

Below please find multiple State Department of Corrections Securepak references should you need them.

**Experience / References for Similar Projects**

**California Department of Corrections & Rehabilitation**

**Contact: Lt. Anthony Carter**

**Phone: 916-327-5305**

- California has 160,000 inmates
- Access Securepak processes over 180,000 packages/year for CA

**Nevada Department of Corrections**

**Contact: Stephanie Pacheco**

**Phone – 775-887-3337**

- Nevada has 12,500 inmates
- Access Securepak is the sole source provider for the Quarterly Package program.
- Access Securepak process over 26,000 packages per year.

**Ohio Department of Rehabilitation and Correction**

**Contact: Todd Thobe**

**Phone: 614-752-1612**

- Ohio has 52,000 inmates
- Access Securepak is the sole source for a year round program with limits
- Access Securepak processes in excess of 100,000 packages annually

**Colorado Department of Corrections**

**Contact: Robert Harlan**

**Phone: 719-269-5931**

- Colorado has 13,000 inmates
- Access Securepak is the sole vendor for quarterly package programs

**South Carolina Department of Corrections**

**Contact: Bryant Diehl**

**Phone: 803-896-1834**

- South Carolina has 21,000 inmates
- Access Securepak is the sole vendor for bi-annual package program
- Access Securepak processes approximately 25,000 packages per year

**Mississippi Department of Corrections**

**Contact: Stan Evans**

**Phone: 601-359-5032**

- Mississippi has 20,000 inmates
- Access Securepak is the sole vendor for bi-annual package programs
- Access Securepak processes approximately 10,000 packages/year

**New Mexico Department of Corrections**

**Contact: Captain Candis Stoddard**

**Phone: 505-827-8711**

- New Mexico has 6,000 inmates.
- Access Securepak is the sole vendor for holiday package programs
- Access Securepak processes approximately 1300 packages per year.

**Virginia Department of Corrections**

**Contact: Dr. Lou Cei**

**Phone: 804-221-9030**

- Virginia has 30,000 inmates
- Access Securepak is the sole vendor for bi-annual program
- Access Securepak process approximately 25,000 packages per year

**Tennessee Department of Corrections**

**Contact: Terry Anderson**

**Phone: 423-727-7387**

- Tennessee has 20,000 inmates
- Access Securepak is the sole vendor for annual food program
- Access Securepak processes approximately 8,000 packages per year

**Arkansas Department of Corrections**

**Contact: Mike Carraway**

**Phone: 870-267-6287**

- Arkansas has 14,000 inmates
- Access Securepak is the sole vendor for bi-annual program
- Access Securepak processes approximately 8,000 packages per year

**Oklahoma Department of Corrections**

**Contact: Marty Sirmons**

**Phone: 918-423-4144**

Oklahoma has 25,000 inmates

- Access Securepak is a vendor for the holiday package program
- Access Securepak processes approximately 5,000 packages per year

**Washington Department of Corrections**

**Lindsey Konrad**

**Phone: 360.725.9142**

- Washington has 17,000 inmates
- Access Securepak is a vendor for the holiday package program and year round property program
- Access Securepak processes approximately 40,000 packages/year

State	Population	Provider
CA	169,663	KG - Open Market
NY	58,694	KG - Open Market
GA	52,775	KG - Sole Provider
OH	51,811	KG - Sole Provider
MI	46,630	KG - Sole Provider
PA	45,755	KG - Sole Provider
VA	38,721	KG - Sole Provider
AL	31,770	Union
TN	29,609	KG – Food & Union – Property
IN	27,000	Aramark
OK	24,683	KG - Open Market
SC	23,776	KG - Sole Provider
CO	23,349	KG - Sole Provider
WI	21,889	KG - Open Market
MS	20,624	KG - Sole Provider
WA	17,169	KG - Sole Provider
AR	15,615	KG - Sole Provider
NV	12,547	KG - Sole Provider
MA	9,988	KG - Sole Provider
NM	7,905	KG - Sole Provider
ID	7,350	KG - Sole Provider
WV	6,236	KG - Sole Provider
NH	2,917	KG - Open Market
RI	2,323	KG - Sole Provider
VT	1,400	KG - Sole Provider

#### 4.14.7 Sale of Phone Minutes

- 4.14.7.1 Currently ADC contracts with a phone vendor who at any given time during term of the commissary contract may request that the sale of phone minutes be handled through the commissary. Offerors shall provide a response within the RFP of their willingness of work with ADC's Phone Contractor directly for this purpose and identify any cost associated with the sale of phone minutes.

Keefe Commissary Network has numerous partnerships with phone providers and is always willing to discuss the option of working with ADC's phone vendor with regards to handling phone minutes.

4.14.8 Technology

- 4.14.8.1 The Contractor shall be provided a list of inmates' Trust Account balances electronically on an approved schedule. The Contractor shall be responsible for assuring that sales do not exceed the balances.

Agreed. Keefe Commissary Network currently receives a list of inmates' Trust Account balances electronically on an approved schedule. Keefe Commissary Network will ensure that sales do not exceed balances.

- 4.14.8.1.1 The Contractor shall provide back to the Department an electronic file of the purchases/refunds made on a daily basis.

Agreed. Keefe Commissary Network currently provides back to the Department an electronic file of purchases/refunds made on a daily basis according the schedule prescribed by the Department.

- 4.14.8.1.2 The electronic file shall contain the following information:

- 4.14.8.1.2.1 Unit locator code
- 4.14.8.1.2.2 Batch #
- 4.14.8.1.2.3 Transaction Date
- 4.14.8.1.2.4 Sales Receipt #
- 4.14.8.1.2.5 Item
- 4.14.8.1.2.6 Inmate number
- 4.14.8.1.2.7 Amount
- 4.14.8.1.2.8 Inmate Name
- 4.14.8.1.2.9 Transaction Type
- 4.14.8.1.2.10 Order Identification

Agreed. Keefe Commissary Network established this file specification in partnership with AZ DOC Information Technologies and has adhered to this file specification to date.



4.14.8.1.3 The electronic file provided back to the Contractor by the Department shall contain the following information:

- 4.14.8.1.3.1 Unit locator code
- 4.14.8.1.3.2 Inmate number
- 4.14.8.1.3.3 Status
- 4.14.8.1.3.4 Spend amt.
- 4.14.8.1.3.5 Date
- 4.14.8.1.3.6 Inmate First Name
- 4.14.8.1.3.7 Inmate Last Name
- 4.14.8.1.3.8 Indigent
- 4.14.8.1.3.9 Prior Unit locator code
- 4.14.8.1.3.10 Bldg./Bed Assignment
- 4.14.8.1.3.11 Current EIP Phase level
- 4.14.8.1.3.12 Current EIP Phase spending limit
- 4.14.8.1.3.13 Custody Level
- 4.14.8.1.3.14 Phase Number

Agreed. Keefe Commissary Network established this file specification in partnership with AZ DOC Information Technologies and has adhered to this file specification to date.

4.14.8.1.4 The Contractor shall ensure that the computerized data exchange file(s) are of ASCII format as in Exhibit #7.

Agreed.

4.14.8.1.4.1 All costs relative to the installation of a dedicated data circuit and monthly billings for use shall be borne by the Contractor.

Agreed.

4.14.8.1.4.2 The Department's (ITSB) shall perform periodic audits relative to AIMS access.

Agreed.

4.14.8.1.4.3 AIMS data shall **not** be downloaded to the Contractor's independent automated system.

Agreed.

4.14.9 Credits:

4.14.9.1 The Contractor shall provide a plan for handling credits for lost bags, missing items, undelivered orders, spoilage, returned orders, items for inmates that were released or transferred, damaged goods, shortages (i.e.,

out of stock items), errors (i.e., overcharges). The contractor shall rectify and correct within 24 hours and should detail this within their proposal response.

Keefe Commissary Network will issue credits for all orders that are lost, undeliverable, returned or damaged and for any items that are missing items (due to shortages and/or errors), spoiled, returned, or damaged. We will also issue credits for inmates who were released or transferred prior to receiving their order.

Keefe Commissary Network will have our on-site staff rectify and correct any/all of these issues within 24 hours of their occurrence. It should be noted that the current ADC schedule only allows the processing of these credits (uploads) on a weekly basis. Should 24 hour processing be of interest we ask that the state grant permission to allow these daily uploads at each location. Alternative options to daily uploads would involve a real time interface or the state using our commissary and inmate banking software. If these are of interest to the state, we will gladly discuss.

4.14.9.1.1 The Contractor is responsible for settling accounts if an inmate is released from prison prior to delivery of order. Orders processed for inmates who are transferred to other facilities prior to delivery shall be credited back to the inmates account or voided by the contractor.

Keefe Commissary Network will issue credits for any inmate released from prison prior to the delivery of their order. We will also issue credits for any inmate transferred to another facility prior to delivery of their order.

4.14.9.1.2 Inmates shall only be charged for those items received and the contractor shall maintain adequate inventory levels to minimize "out of stock" items.

Keefe Commissary Network will only charge for items received. Credits will be issued for any items missing from an order. We currently operate 16 distribution centers totaling over 1,400,000 square feet, shipping over 22 million pounds of inventory per month, and carrying over \$68 million in inventory daily. We inventory and offer over 6,000 items specifically designed for consumption and use in the correctional environment; more commissary products than any vendor in the correctional commissary industry. We are rarely out of stock, but when we are, we are able to draw on inventory nationwide to address an issue quickly.

4.14.9.2 Inmates shall not be charged for any transaction for which the contractor cannot provide supporting documentation.

Acknowledged and agreed.

4.14.10 Out Of Stock Items:

- 4.14.10.1 An Out of Stock Report shall be provided daily to each institution contract liaison or designee, to ensure they are aware of any items that are not available to the inmates for sale. The out of stock report shall include the date the item went out of stock, the time frame the item has been out of stock, and the date the item will be back in stock. No items shall be out of stock for over 14 days. It is the responsibility of the Contractor to monitor and ensure removal and replacement of any out of stock items. Items that continually fall on and off the daily out of stock report may require replacement for a more consistent product with a different source.

Keefe and KCN currently carry over \$68 million in inventory daily. We inventory and offer over 6,000 items specifically designed for consumption and use in the correctional environment; more commissary products than any vendor in the correctional commissary industry. We are rarely out of stock, but when we are, we are usually able to draw on inventory nationwide to address an issue quickly.

We have included a copy of the proposed out of stock list on Attachment P. In addition to listing food, hygiene and property items that are out of stock, we have added sections for items that are out of stock due to circumstances beyond our control, discontinued items with replacements that we are awaiting departmental approval and discontinued items that have been approved by the department with a future effective date.

4.14.11 Indigent Supplies:

- 4.14.11.1 Indigent supplies shall be provided by the Contractor and handled in accordance with Department Order (DO) 905, Inmate Banking/Money Systems, which is hereby made part of this RFP by reference and is available on the following web site [www.azcorrections.gov](http://www.azcorrections.gov) and attached as Exhibit #8. With the exception to the exchange clause, all items shall be made available to inmates that qualify for indigent supplies on a monthly basis.

Keefe Commissary Network will provide indigent supplies in accordance with Department Order 905 and Exhibit 8.

- 4.14.11.2 The contractor is responsible for identifying all indigent items on current order form with a distinguishing symbol, and providing those items consistent with the custody level of the inmate. This symbol shall easily identify indigent items available to inmates approved on indigent status.

Keefe Commissary Network menus are tailored to each custody level and will only list items that are allowed. These items will be identified with a distinguishing symbol used to identify indigent products.

- 4.14.11.3 The Department shall provide the Contractor with a monthly Indigent Report identifying the following information

- 4.14.11.3.1 Inmate Name
- 4.14.11.3.2 Inmate ADC Number
- 4.14.11.3.3 Date of approved indigent status
- 4.14.11.3.4 Date of expiration of indigent status

Agreed and accepted. If possible, Keefe Commissary Network asks that this information be included in the informational file downloaded prior to scanning orders, since the Inmate name and ADC Number are already included in that file.

- 4.14.11.4 The Contractor shall invoice the Department monthly, for reimbursement of indigent supplies, when determined the inmate has no funds available to pay for the indigent supplies ordered. Invoices shall reference the information listed in Section 1.25 — Invoicing, Paragraph 1.25.1.1 (i.e. Date, Inmate Name, Inmate Number, products received, etc.) and be sent in accordance with Section 1.25 — Invoicing, Paragraph 1.25.1.3.

Keefe Commissary Network will invoice the Department monthly for reimbursement of indigent supplies. Pricing on indigent item invoices will comply with the information listed in Section 1.26 — Invoicing, Paragraph 1.26.1.1 and sent in accordance with Section 1.26 — Invoicing, Paragraph 1.26.1.2.

#### 4.14.12 Legal Supplies:

4.14.12.1 Legal supplies shall be provided by the Contractor and handled in accordance with Department Order (DO) 902, Inmate Legal Access to the Courts, which is hereby made part of this RFP by reference and is available on the following web site [www.azcorrections.gov](http://www.azcorrections.gov) and attached as Exhibit #9. Additional legal supplies shall be handled by the Department.

Keefe Commissary Network will provide legal supplies in accordance with Department Order 902 and exhibit 9.

4.14.12.2 The Contractor shall invoice the Department monthly, for reimbursement of legal supplies, when determined the inmate has no funds available to pay for the legal supplies ordered. Invoices shall reference the information listed in Section 1.25 — Invoicing, Paragraph 1.25.1.1 (i.e. Date, Inmate Name, Inmate Number, products received, etc.) and sent in accordance with Section 1.25 — Invoicing, Paragraph 1.25.1.3.

Keefe Commissary Network will invoice the Department monthly for reimbursement of legal supplies. Pricing on indigent items Invoices will comply with the information listed in Section 1.26 — Invoicing, Paragraph 1.26.1.1 (i.e. Date, Inmate Name, Inmate Number, products received, etc.) and sent in accordance with Section 1.26 — Invoicing, Paragraph 1.26.1.2.

#### 4.15 BAG OPERATION OUTSIDE SECURITY PERIMETER

4.15.1 Merchandise shall be bagged in see through material, and items being delivered shall be subject to search prior to being issued to the inmates.

Acknowledged and agreed. The orders are processed and sealed in clear, perforated, plastic bags to ensure freshness and security. The order receipt is clearly visible from inside the bag. Keefe Commissary understands the sensitive nature of corrections and agrees that items may be subject to search. A sample of the bag has been sent to Christina Jimenez.

4.15.1.1 The Department may request a sample of the see through delivery bag for evaluation purposes at no cost to the Department.

Keefe Commissary Network has sent a sample of our see-through delivery bag via US mail to Christina Jimenez.

4.15.2 Prior to each inmate delivery, the Contractor shall submit a summary sales and adjustment report by inmate name to each facility business office.

Agreed.

4.15.3 Deliveries of completed orders shall arrive on store day and be delivered by the Contractor to a specific distribution point in each facility (i.e., the current inmate store locations) for delivery to the inmates. Delivery hours at each facility shall be set by the

Warden and guaranteed by the Contractor unless the Warden notifies the Contractor of any changes due to security requirements. Should security concerns or activities prevent the scheduled distribution of inmate store, the Warden shall work with the Contractor to develop an alternate schedule that shall allow for the delivery of the inmate store items with as little delay as feasible. This may require the distribution of store during evenings, weekends, or holidays.

Acknowledged and agreed. KCN understands the unique needs of a correctional environment and will continue to adhere to the delivery schedule set forth by the ADC. Should security concerns or activities prevent normal delivery, KCN will work with the ADC on an alternative delivery schedule.

- 4.15.3.1        The Contractor shall propose a plan regarding how orders are to be delivered directly to each inmate in accordance with the operational needs of each institution.

#### DELIVERY

We currently use three methods to deliver commissary orders to inmates in Arizona. These three methods are Window Delivery, Bag and Drag Delivery and Bag for DOC delivery.

Keefe employees complete the entire delivery process for the Window and Bag and Drag methods.

The third method, Bag for DOC delivery, is a shared responsibility as Keefe employees are not permitted access into high security inmate housing locations.

Below is a summary of how all three methods are accomplished:

#### Window Delivery:

- Inmates are assigned to work in the commissary store and assist our on-site staff with distributing orders to inmate customers.
  - **Bag Prep:** One inmate is assigned to stage orders, sodas and bread in preparation for distribution of commissary orders.
  - **Delivery:** Orders are handed out by an on-site Keefe employee via the store's window. A second inmate is assigned to assist with the delivery of the commissary orders. The inmate is responsible for taking items out of the bags so the Keefe employee can check them against the receipt before being distributed.
  - **Runner:** A third inmate is responsible for receiving ID's and matching them up with the corresponding orders. This worker is also available to help with other duties should the need arise. (This position may or may not be needed depending on operational requirements.)
- Delivery staff will keep all commissary bags, totes and carts within their physical control at all times and will never leave any of these items unattended.



- An order is never opened until the receiving inmate's identity is checked and it is established that the correct inmate is standing before our on-site delivery staff.
- Commissary orders are transferred from the plastic bag they arrive in to the inmate's laundry bag. At no time does an inmate receive the plastic bag used for shipment.
- Delivery staff checks the identification of every inmate **prior** to handing out orders. This ensures that the correct inmate receives their order. The inmate name and identification number on the identification badge must match the name and identification number on our receipt. The picture on the identification badge should look like the inmate receiving the order. If any of these three things do not match, our on-site delivery staff will not deliver the order.
- After positively identifying the inmate, our delivery staff will pull the receipt out of the bag and look to see if there are any high security items listed under the **Secure Items** heading on the receipt. High security items consist of tobacco products, postage, ice tickets, etc.
- If there are high security items listed on the receipt, the onsite staff will verify the quantity. The delivery staff will place a circle around the quantity and verbally inform the inmate that all of the items are accounted for prior to having the inmate sign.
- On-site staff will ensure that all inmates print and sign their name on the receipt. Delivery staff will compare signatures on the original scantron forms if they are unclear or inmates are having trouble signing or spelling their names.
- Once the order is distributed, the inmate will receive the duplicate copy of their signed receipt. All completed order forms are secured.

**Bag and Drag Delivery:**

Security considerations prevent some inmates from going to a common location outside of their assigned housing unit. In these instances Keefe employees prepare commissary orders for delivery by transporting orders into the inmate housing unit with assistance from assigned inmate workers.

- The orders for inmate housing units requiring this method of delivery are loaded into carts for transportation. A sufficient quantity of high security items are prepared and taken along for delivery.
- The Keefe employee coordinates with security to arrange a suitable time for delivery in the housing unit and proceeds to the location along with two inmate workers who help in the delivery process.
- Depending on the housing unit configuration and preferences of security personnel, arrangements are made to deliver inmate orders directly to them at the cell front or in an alternate location as designated by security.

- A list of inmates receiving orders is provided to the security officer and arrangements are made to allow one inmate at a time to receive his/her commissary order. Only one order is distributed at a time.
- Delivery staff keeps all commissary bags, totes, and carts within their physical control at all times, never leaving them unattended.
- At no time is an order opened until an inmate's identity is checked and confirmed that it matches the order.
- Commissary is distributed to the inmates from the plastic bag they arrive in to laundry bags or handed to the inmate and placed directly into their cell. At no time does an inmate receive the plastic bag that was used to ship the order.
- Delivery staff checks the identification of every inmate **prior** to handing out orders. This ensures that the correct inmate receives their order. The inmate name and identification number on the identification badge must match the name and identification number on our receipt. The picture on the identification badge should look like the inmate receiving the order. If any of these three things do not match our on-site delivery staff will not deliver the order.
- After positively identifying the inmate, our delivery staff will pull the receipt out of the bag and look to see if there is any high security items listed under the **Secure Items** heading on the receipt. High security items consist of tobacco products, postage, ice tickets, etc.
- If there are high security items listed on the receipt the onsite staff will verify the quantity. The delivery staff will place a circle around the quantity and verbally inform the inmate that all of the items are accounted for prior to having the inmate sign.
- On-site staff will ensure that all inmates print and sign their name on the receipt. Delivery staff will compare signatures on the original Scantron forms if they are unclear or inmates are having trouble signing or spelling their names.
- Once the order is distributed, the inmate will receive the duplicate copy of their signed receipt. All completed order forms are secured.

#### **Bag/DOC Delivery:**

Per DOC request, Keefe Commissary Network does not deliver or assist in delivering commissary to inmates in detention units or maximum custody housing. Our on-site staff will verify in advance that all commissary products are present in the bags prior to handing them over to DOC security personnel for distribution.

- Delivery Agents will keep all commissary bags, totes, and carts within their physical control at all times and will never leave any of these items unattended.

- On-site staff, with the assistance of an assigned inmate worker will open and complete inventory of all of the products listed on the receipt to ensure all items listed on the order are present. Any shortages (out of stock, damages, etc.), or similar notations will be recorded on the receipt.
- All approved high security items will be placed inside the bag once an inventory has been completed and the order will be sealed and placed in a delivery tote or cart for transportation to the housing unit. This process continues until all orders are positively inventoried and prepared for delivery.
- Once all of the orders have been inventoried and prepared for delivery to the housing unit the on-site staff contact security and arrange to either take them to the housing unit or have the orders picked up by security personnel.
- A roster is printed listing all inmates receiving orders and is used by our on-site staff and DOC security personnel to inventory and account for individual orders. DOC staff sign for orders being delivered to high security inmates.
- Once the commissary is distributed the inmate is provided a duplicate copy of the signed receipt.
- All receipts are collected and returned to our on-site staff.

**Property Processing:**

- Commissary Managers at each complex work with Mail and Property Room Officers to inventory property items that are distributed through Property.
- Keefe provides a list of all property items being sent to the Property Room. After completing an inventory and verifying that all items and orders are present our on-site staff and Property Room Officer sign the list and a copy is retained by each.

Keefe Commissary Network has previously included an overview of our delivery plan in accordance with the operational needs of each facility.

4.15.4 There shall be two copies of an order receipt sealed within the bag, one for the inmate, and one for contract staff. The receipt shall contain the following information:

- |          |   |
|----------|---|
| 4.15.4.1 | Date  |
| 4.15.4.2 | Inmate name                                   |
| 4.15.4.3 | Inmate location                               |
| 4.15.4.4 | Inmate identification number                  |
| 4.15.4.5 | Items, quantities ordered, item selling price |
| 4.15.4.6 | Total cost of transaction                     |
| 4.15.4.7 | An inmate signature line                      |

Acknowledged and agreed. Each Inmate Order receipt is printed in duplicate and attached to the order for delivery verification and signature. The order receipt contains the date, inmate

name, location, identification number, item listed separately and with both the unit and extended price, and total cost of transaction.

There is a place to note shortages and/or damages at the bottom above the signature line. One signed copy is kept by the inmate and the other retained for the facility's records. Sample provided below. Please note the "Exception Report," on the receipt. **This unique feature to KCN lists any items not shipped and provides a reason why the item was not included in the order. (i.e. medical restriction, etc) This feature limits discussion at time of delivery expediting the process and helps minimize inmate concerns and grievances.**

Inmate Order

## Inmate Order Receipts

Each Inmate Order receipt is printed in duplicate and attached to the order for delivery verification and signature. Each item is listed separately with both the unit and extended price.

As an option, the receipt can begin with the inmate's beginning trust fund balance, deduct the order amount and show available fund balance at the bottom.

There is a place to note shortages and/or damages at the bottom above the signature line. One signed copy is kept by the inmate and the other retained for the facility's records.

KEEFE COMMISSARY NETWORK SALES P.O. BOX 17490 ST. LOUIS, MO 63178-7490					
NAME: TEST INMATE D NBR: 004D			ORDER DATE: 11/02/05		
BLOCK: TIER: CELL:			ORDER NBR: 64682		
SITE: FACILITY: XYZ			CPR NBR: 00004 1		
			BEG FUND BAL: 57.06		
PAGE: 1					
ORDER	SITE	KEEFE	ITEM DESCRIPTION	ITEM	TOTAL
QTY	ITEM#	ITEM#		PRICE	PRICE
1	1015	28243	MANILLA ENVELOPES	.15	.15
2	2301	871545	NESTEA W/LEMON 5.5 OZ CLR	1.15	2.30
2	2330	87041	6OZ TR PUNCH KOOLAIID CLR	1.15	2.30
1	3035	81881	SL 5OZ CHOC CHIP COOKIES	.75	.75
1	3045	81871	SL 5OZ DPLX CREME COOKIES	.75	.75
1	3115	8718	CHEESE CRACKERS (LIKE CHE	1.75	1.75
1	3245	84708	SL DUNKING STICKS 6/BOX	1.70	1.70
1	4010	8952	SNICKERS BAR	.72	.72
1	4035	81949	REESES P/BUTTER CUP	.72	.72
1	4150	48607	SOUR FRUIT BALLS 4.25OZ	.90	.90
6	6000	8008	CHICKEN RAMEN NOODLES	.75	4.50
1	6005	8010	CHILI RAMEN NOODLES	.75	.75
1	6007	8018	CAJUN CHICKEN RAMEN	.75	.75
1	6055	8553	SPANISH RICE W/CHEESE	.75	.75
2	6061	8509	NOODLES W/JALAPENO CHEESE	.75	1.50
1	6150	8911	KEEFE 10OZ NACHO CHIPS	1.50	1.50
2	6155	8912	KEEFE 13OZ CORN CHIPS	1.50	3.00
1	6600	8875	TORTILLAS 4 PACK	1.00	1.00
1	6711	81241	HOT CHILI REFRIED BEAN&RICE	1.00	1.00
SECURE ITEMS					
5	1001	8983	LARGE STAMPED ENVELOPE	.45	2.45
SUB-TOTAL					29.04
SALES TAX					.00
ORDER TOTAL					29.04
ENDING FUND BALANCE					28.02
REJECTED ITEMS					
QTY	ITEM#	ITEM DESCRIPTION	REASON		
1	6711	HOT CHILI REFRIED BEAN&RICE	EXCEEDED SPENDING GROUP LIMIT		
LIST SHORTAGES AND/OR DAMAGES HERE:					
ITEM#	QUANTITY	CATEGORY/DESCRIPTION			
SIGNED _____ DATE _____					
WITNESSED BY _____ DATE _____					

Beginning Balance

Items listed separately

Ending Inmate Balance

Exception Report  
Any items ordered but not shipped are listed at the end of the invoice along with the reason they were not shipped, i.e., restrictions, insufficient funds, etc.

Signature lines

Sample Inmate Order Form

1-800-864-5986

#### **4.16 PRICE, COMMISSION AND PAYMENT:**

- 4.16.1 Items and sale prices shall be used in the evaluation and must be the items proposed by the contractor at the time of award. Current items and pricing for reference are noted on Exhibit #10 ADC Master Store List.

Acknowledged and agreed.

- 4.16.2 In accordance with Section 4 - General Specifications and Requirements, Paragraph 4.2, once the list is determined the Contractor will provide its item numbers to each product. Item numbers must remain as provided by the contractor throughout the term so long as the item does not change. If an item changes during the term of the contract the item number shall change with the new item. Contractor shall not reuse item numbers for new products. This will allow the Department to track items on reports and recognize changes during the term of the contract.

Acknowledged and agreed.

- 4.16.3 The Department and in-state private prison institutions shall make payment for all inmate sales to the Contractor on a monthly basis.

Acknowledged and agreed.

- 4.16.4 The Contractor shall pay the commission no later than the fifteenth day of the following month.

- 4.16.4.1 The Contractor shall submit with the commission check a summary of the revenues to correlate with the commissions. The Contractor shall provide a separate summary to the Department's Contract Liaison, each in-state private prison institution along with one main summary delineating out each institution to the Department's Chief Financial Officer as a whole.

Currently, Keefe Commissary Network presents invoices that net the commission from the pay amount. The invoices are presented to facility business managers on the day following the applicable order or refund. We recommend this method for timeliness and efficiency. KCN will defer however to the ADC's preferred method. Centralized reporting on sales and commission by facility will be provided on a schedule determined by the Department's Contract Liaison and Chief Financial Officer



4.17 REPORTS:

- 4.17.1 The following reports shall be provided by the Contractor to the Department's Contract Liaison and Chief Procurement Officer monthly and no later than the 15<sup>th</sup> of each month:

- 4.17.1.1 Sales Report - Report should identify the commissary item, quantity sold, location and total sales for the item. Items must be noted by the master store list item number and must match between the report and the master store list.
- 4.17.1.2 Income Statement — (Industry Standard Apply)

- 4.17.2 The following information in a combined report shall be provided from the Contractor to the Department's Contract Liaison weekly and no later than Monday, the first business day of the week by 12:00 noon M.S.T.:

- 4.17.2.1 Product Sales showing products sold to inmates
- 4.17.2.2 Volume Report showing items sold
- 4.17.2.3 Report that defines trend
- 4.17.2.4 Itemized report by inmate name and number
- 4.17.2.5 Daily Sales listing by Unit
- 4.17.2.6 Indigent packet (by initial issuance and refills) usage
- 4.17.2.7 OTC Medication Process Report
- 4.17.2.8 Out of Stock Report

- 4.17.3 The Contractor shall submit these reports to the Department's contract liaison. The contractor shall submit these reports in an Excel format (or an accepted format that is exportable to Excel). Upon award, the Department shall provide the appropriate e-mail address.

Keefe Commissary Network currently supplies all of the noted reports with the exception of those related to the new OTC and Indigent programs. We have included samples of all reports that can be found under Attachment Q, Combined Sample Reports. KCN will continue to adhere to the deadlines mentioned above.

4.18 INMATE LABOR UTILIZATION, SUPERVISION AND TRAINING:

- 4.18.1 The Contractor may utilize inmate labor to the maximum degree possible to reduce cost and provide employment opportunities for inmates. Offerors proposal response should state areas within a commissary program that inmate labor can be utilized.

Keefe Commissary Network currently employs 150 inmates statewide. Below, we have provided detail on how we currently utilize inmate labor. We will continue to employ inmate labor as needed and allowed.

### Job Assignments

Inmates that work in the store are to follow the steps and procedures that are outlined to them by the guidelines that are put into place by the store manager.

Each inmate who works in the store will be given assignments to carry out the normal functions of the store delivery. Inmates will receive *on the job* training for all job assignments. This includes the safe operation of equipment such as pallet jacks, proper lifting techniques and sanitation procedures.

1. **Cleaning of the store at all times:** Inmates that are not currently involved in a task to help with the delivery or readiness of the store should be cleaning it, i.e.: picking up trash, sweeping as needed, cleaning of shelves or racks as needed, and restocking of bread, soda, and ice cream.
2. **Bag Prep:** There should be at least one inmate who should be getting the bags ready with the sodas and bread.
3. **Delivery:** One inmate should be ready to assist with the delivery of the store out of the window with the Keefe Employee who is actually working the window, i.e. getting items out of the bags and put out in front of the Keefe Employee to be checked off of the receipt before going out to the inmate who bought the store. (Inmates are not permitted to make actual deliveries out of the store window).
4. **Runner:** This inmate is the one who gets the IDs ready and put onto the correct bags. They also help out with the other stations when the need arises.
5. **Delivery Readiness:** All workers in the store will get the store ready for the upcoming delivery of store. All Boxes will be unloaded from the trucks and brought into the store and made ready. All sodas will be stocked in the location that they are needed for the delivery. Bread and Ice Cream will be stocked and ready in the proper locations.

4.18.2 The Contractor shall be required to reimburse the Department Inmate Wages paid.

Keefe Commissary Network currently reimburses our inmate workers at the Department's established inmate wage.

1. All inmates are paid on the basis of hours actually worked and not on a 40 hour a week basis.
2. All inmates sign a time sheet that reflects actual hours worked daily/weekly.
3. Inmates are paid up to \$0.50 an hour.
4. If there is a disturbance that happens during the normal working hours of the store and the inmates are left in the store during the incident, the inmates will be paid normally.
5. If there is a disturbance on the yard that prevents the inmates from going to work in the store then the inmates will not be paid.
6. Store product is not a bargaining tool or valid method of payment for work done.

4.18.3 The Contractor shall maintain time records for each inmate worker and report hours worked to the institution on a bi-weekly basis.

Acknowledged and agreed.

4.18.4 Inmate Labor shall be arranged and coordinated with the designated Department personnel.

Agreed. No other provider has the extensive nationwide experience with inmate commissary labor as Keefe.

4.18.5 The Contractor shall be responsible for reporting inmates observed violating any laws or Department rules of conduct to security personnel. The Contractor may request the institution to remove any inmate the Contractor feels is unsuitable for the Commissary function.

**Keefe Commissary Network will report any inmate who violates any laws or Departmental rules of conduct. Below is information provided to our inmate labor prior to starting work.**

**Disciplinary Sanctions**

Inmate store workers will not engage in any of the following activities:

1. **Theft**, i.e. eating product from the store that is not paid for, taking product out of the store or bags that is not theirs.
2. **Insubordination**
3. **Not Reporting to Work as Scheduled** Prior approval or written excuse such as having to report to medical, a medical IPP or slip must be produced.
4. **Profanity and/or Vulgar Language**
5. **Fighting**
6. **Lying to Staff**
7. **Receiving a Major Ticket**
8. **Pressuring of staff by inmates to break/bend or violate any rules of the DOC or the store operating procedures.**

Inmates involved in or in violation of any of the above listed offenses will be terminated from the store employment; inmates may also receive a *ticket* for the offense that has been committed.

4.18.6 The Contractor shall provide On-the-Job-Training to the inmate workers in the areas of safety, sanitation, and the handling of store items requiring special handling.

Keefe Commissary Network provides On-the-Job training. Below is a copy of our job requirements, assignments inmate job training procedures.

**Inmate Job Requirements:**

1. Inmates shall come to work each day on time as has been assigned for the normal schedule of the store.

2. Inmates shall report to work having utilized good personal hygiene skills, i.e. showered, clothing as acceptable to be used during normal job functions, hair groomed, and cleanly shaven (except if a shaving waiver is on file).
3. Inmates shall complete all tasks that are assigned to them per the normal operations of the store as set up by the manager/store personnel of that store.
4. Should have basic educational knowledge, i.e. High School Diploma, GED, or currently working on GED.
5. Inmate must be dependable, trustworthy, responsible, reliable, and meet expectations.
6. Inmate is a team worker and can work with and around other individuals of varying culture, age, and ethnicity.

Inmate performance shall be reviewed with the inmate and the appropriate DOC personnel as required.

- 4.18.7 The Contractor shall be responsible for providing inmates with training in any particular task to which the inmate is assigned. Contractor shall document this training and make such documentation available to the Warden or Warden's designee. The Contractor shall be responsible for evaluating inmates in writing and keeping a file of the evaluation. The Contractor shall provide evaluations to the Warden or Warden's designee in accordance with the Work Incentive Pay Plan (WIPP) policy as described in Department Order (DO) 903, Inmate Work Activities, which is hereby made part of this RFP by reference and is available on the following web site [www.azcorrections.gov](http://www.azcorrections.gov).

Agreed. Keefe Management will continue to train inmate labor, documenting all training procedures. Keefe personnel will review job assignments, disciplinary sanctions and requirements for the particular job for which the inmate is employed. Documentation will be signed for by management and by inmate confirming the previously listed areas are discussed, training is complete and understood by both parties.

#### 4.19 SECURITY:

- 4.19.1 The Contractor shall be responsible for ensuring that all personnel, equipment, tools, keys and supplies/materials comply with any and all rules regulations, and procedures of the Department and the individual institutions. Questions should be addressed to the Deputy Warden for Operations or a member of the administrative staff at each facility. The individual facility rules, regulations and procedures governing the entry and conduct of staff working inside the facility shall be made available and explained at the point of entry.

Agreed.

- 4.19.2 The Contractor shall be responsible for the cost of re-keying and replacement of lock cylinders. The keys issued to the Contractor may not be duplicated at any time by the Contractor. The loss of any keys is to be reported immediately to the facility shift commander and followed by a written report.

Agreed.

- 4.19.3 All personnel entering a facility shall be subject to a search of their person and personal items. Such searches may be frisk searches, searches by metal detectors or searches by narcotics detection canines.
- 4.19.4 All equipment, tools, supplies and material shall be handled in accordance with Department Order (DO) 712, Tools and Restricted Product Control, which is hereby made part of this RFP by reference and is available on the following web site [www.azcorrections.gov](http://www.azcorrections.gov). Tools and materials must be carefully controlled at all times and locked when not in use.

Response to 4.19.3-4.19.4

As the current provider Keefe Commissary Network is in compliance and will remain in compliance with all above policies and procedures.

**Employee and Warehouse Security**

Keefe Commissary Network (KCN) offers security measures above and beyond DOC requirements including our own background checks of all employees, drug screening and financial checks prior to hiring of each employee. Should a promotion or accident occur, KCN does additional drug screening. KCN will continue to adhere to this provision.

KCN provides a 24-hour state of the art surveillance of our warehouses by video camera, and a single entrance/exit system. KCN requires uniforms to identify employees, key and tool logs, driver cages to keep non-employees from entering, and security lighting. KCN feels that should the State wish to inspect our operation no other vendor will compare, and invites the ADC to visit our warehouse at anytime. No other vendor understands the sensitive nature of the corrections industry to the extent of KCN. KCN provides these services "in-house," for added assurance of our commitment to security.

The security measures in place at our warehouses are as follows:

1. Security cameras in warehouse and office.
2. Collared KCN uniform polo shirts.
3. Tool display box for sign in and sign out.
4. Sign in and out logs for truck keys, vending keys, tools.
5. Alarm system installed.
6. High cost items in a security cage.
7. Complete employee policy and procedure compliance agreement.  
Signed and filed for inspection at any time by the State.
8. Lockable file system for confidential papers.
9. Single point of entry for personnel and visitors.
10. Driver's cage installed and used.
11. Door alarms on all exit doors in the warehouse.
12. Locks on all roll-up doors.
13. Only assistant manager, manager, sales staff and upper management personnel have keys.
14. All exit doors in warehouse (except the driver's doors) are kept locked at all times.
15. The entire warehouse is alarmed and only the personnel with keys have the password.

### **Tool Control Policy**

It is the policy of Keefe that all tools will be approved by Management, prior to admittance and acceptance into our facilities. Approval by Management will be based primarily upon the specific purpose the tool will serve as it directly relates to the performance of our daily operations.

All approved tools will be secured and accounted for at all times by the Manager. In doing so, all Keefe facilities will utilize a daily log book listing the tools which are approved and maintained at that facility. Each individual tool will be assigned a number which is labeled on the actual tool itself, and listed in the corresponding "Tool Master Log."

Each completed daily log should be maintained historically in the book so that Management can review and determine what tools were checked out and returned in the past, by employee, and working day. This listing will also serve at a minimum, the following functions:

1) To ensure only the tools approved by Management, are admitted and maintained at the facility. Tools not on the listing are not permitted into the facility.

2) To ensure all tools are accounted for at all times. Tools will be checked out by authorized employees on an as needed basis and checked back in upon completion of their use.

3) To ensure all tools are utilized safely in accordance with their intended use and only in the authorized areas of our facilities.

At the start of a work shift, the Manager should perform an audit to ensure all tools are accounted for and secured. The Manager should then open a new page of the Tool Master Log.

An employee requiring a tool must check the tool out from the Manager. The Manager will record this process in the Tool Master Log. In checking tools out, the Manager will ensure that the employee is performing a duty which requires use of the tool. Additionally, the Manager will ensure the authorized employee is knowledgeable on safely using the tool as well as the areas of our facility in which the tool is not permitted.

It is also the responsibility of the employee checking the tool out, to know all of the rules and policies pertaining to the tool, its' safe and intended use, all areas the tool is not permitted in, and its' return policy. Employees should never leave a tool lying around. Additionally, employees should never loan a tool to another employee. Once an employee checks a tool out, it is their responsibility to maintain complete possession of that tool until it is checked back in.

Upon completion of the tool's use, the employee must check the tool back in with the Manager. The Manager will record this process in the Tool Master Log. In doing so, the Manager should examine the tool to ensure it has been returned in a safe and working order. Tools which are returned in a damaged condition will be discontinued and replaced to ensure safety.

Any violation of this policy, as well as lost tools, will result in disciplinary action, up to and including termination.

- 4.19.5 Contractor's personnel or representative are limited to movement to, from and within their assigned work areas. No contact is allowed with inmates unless expressly approved.

Understood. Keefe Commissary Network employees are trained to make every effort to limit disruption to the facility. Keefe understands the specific needs of the ADC and has worked with the ADC at every turn throughout our extended partnership.

- 4.19.6 No person who appears to be under the influence of drugs or alcohol or who is otherwise impaired shall be allowed entry into a correctional facility.

Agreed. Keefe employees undergo an additional in-house drug screening prior to employment with Keefe and the ADC. Keefe strongly enforces the policy above.

- 4.19.7 The Department reserves the right to deny entrance to anyone who is suspected of a breach of security for failure to follow published rules, regulations or procedures.

Agreed. Keefe employees are subject to ALL restrictions and regulations of the ADC. Keefe understands the Department has the right to deny employees entrance to facilities and may request disciplinary action to be taken against Keefe employees, up to and including termination.

- 4.19.8 As approved by the Department, all Contractor's personnel must be in possession of a valid identification with a recent, clear photo in order to enter a facility.

Agreed. Like all Department policy and facility rules and regulations this request is covered in our extensive recruiting, pre-screening and training processes.

- 4.19.9 Contractor staff shall be required to have Contractor issued uniforms approved by the Department.

Keefe employees are currently easily identifiable wearing Keefe supplied uniforms, approved by the Department at all times. Keefe employees will continue to adhere to this practice as required

- 4.19.10 If applicable, the Contractor shall be responsible for maintaining, and stocking, according to OSHA standards, first aid equipment and supplies in all Inmate Stores. All first aid equipment and supplies are solely for the Contractors staff.

Keefe Commissary Network currently maintains and stocks, according to OSHA standards, first aid equipment and supplies in all inmate stores statewide.

- 4.19.11 The Contractor shall not furnish free, or discounted snacks or beverages to their employees or to Department employees as a direct operating expense of the Inmate Store program.

Acknowledged and agreed. KCN will not furnish free or discounted snacks or beverages to employees of KCN or the Department.

- 4.19.12 Upon request by the Department, the Contractor shall meet for the purpose of reviewing the operating statements. The Contractor shall be required to explain deviations, discuss



problems, and mutually agree on a course of action to improve the operation of the Inmate Stores.

Acknowledged and agreed. Keefe has enjoyed an excellent working relationship with the ADC. Keefe management and staff will continue to be available, committed to improving the existing operation, and exceeding the expectation of the Department.

4.20 CONTRACTOR'S STAFFING:

4.20.1 The Offeror shall identify in their proposal, all personnel necessary to provide services for the Inmate Store program. A complete description of the position, position title, salary, the role they play in the program and what institution location the proposed position shall be located at. Contractor shall also identify if any position noted shall be used for more than one role in the Inmate Store operation and what that role(s) shall be and at what location(s).

Keefe Commissary Network has always made it a priority to hire, train and retain exemplary employees. KCN's incentive programs, competitive wages, profit sharing and benefits contribute to a higher quality employee and better retention than our competitors.

In order to further facilitate this, we employ an extensive Human Resources department which has developed and maintained world class employee performance measures. A critical part of these measures are performance reviews. KCN mandates to all its managers that all employees will have a 30 day, 90 day and yearly performance reviews that are well documented. In addition to these reviews, KCN encourages open door communication standards and contracts an outside company to contact, survey and anonymously report our employee opinions of our company and managers to ensure we are striving to provide our customers with high caliber correctional orientated professionals.

As your current commissary partner, the ADC specific experience our 85 on-site staff has acquired cannot be underestimated. Many of these employees, including the majority of our managers, have worked with the ADC from contract inception to improve service and efficiencies. This unique facility and ADC policy experience and knowledge is crucial to the success of this operation. When it comes to staffing, KCN does not cut corners to save money and understands the importance of retaining experienced staff.

On the next page, we've provided job descriptions for our Regional Commissary Manager, Commissary Manager, Commissary Supervisor, Commissary Representative and Administrative Assistant, positions. We have also provided a list of our staff, their titles, their salary, and their role at each of your locations on Attachment R, "Employee Breakdown".

**Keefe Commissary Network Regional Commissary Manager**

Job Title: Regional Commissary Manager

Department: On-site Commissary

Reports To: KCN Regional Operations Manager

FLSA status: Exempt

**GENERAL PURPOSE OF THE JOB:**

The KCN Regional Commissary Manager will be responsible for the KCN on-site staff employed in the assigned territory. Primary duties will include assisting in the hiring and training of on-site staff, and to insure that all on-site staff adheres to company policies and procedures. In addition, the KCN Regional Commissary Manager will act as the liaison for the on-site staff to address their questions, concerns and needs.

**ESSENTIAL DUTIES AND RESPONSIBILITIES:**

- Assist in planning of the start up of new accounts.
- Organize and plan hiring of on-site staff.
- Verify all applications: employment verifications, clearance, drug testing and new hire packets are properly completed and forwarded to HR/ Payroll departments.
- Train new staff on software, inventory, and company policies and procedures.
- Provide on-going support and training.
- Train Commissary Managers on proper inventory control, including all procedures and reports.
- Verify accuracy of on-site inventory and all buy backs.
- Implement and monitor proper policies on credits and returns.
- Develop a general understanding of company policies and benefits (attendance, medical, vacation, etc).
- Instruct and follow up on company security and safety procedures for on-site staff.
- Work to improve labor efficiencies at the on-site operations (establish procedures and ensure they are adhered to).
- Process weekly time sheets for submission to payroll and maintain attendance calendars and employee files for on-site staff.
- Handle the annual review process and keep Operations Manager informed.
- Establish monthly reports and reporting features.
- Develop working knowledge of KCN Best Business Practices Guide.
- Complete miscellaneous projects as assigned by Operations Manager.

**SUPERVISORY RESPONSIBILITIES:**

This position has supervisory direct reports from on-site commissary operations.

**EDUCATION AND/OR EXPERIENCE:**

Associate's degree (A. A.) or equivalent from two-year college or technical school; or six months to one year related experience and/or training; or equivalent combination of education and experience.

**LANGUAGE SKILLS:**

Ability to read and interpret documents such as safety rules, operating and maintenance instructions, and procedure manuals. Ability to write routine reports and correspondence. Ability to speak effectively before groups

of customers or employees of organization.

**MATHEMATICAL SKILLS:**

Ability to calculate figures and amounts such as discounts, interest, commissions, proportions, percentages, area, circumference, and volume. Ability to apply concepts of basic algebra and geometry.

**REASONING ABILITY:**

Ability to solve practical problems and deal with a variety of concrete variables in situations where only limited standardization exists. Ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form.

**CERTIFICATES, LICENSES, REGISTRATIONS:**

- Valid driver's license

**OTHER SKILLS AND ABILITIES:**

- Must be a self-starter who can work well with people at all levels both in and out of KCN Organization in a professional manner.
- Requires strong supervisory skills: a demonstrated ability to lead people and get results through others.
- Ability to work in a correctional environment.
- Excellent oral and written communication skills.
- Ability to define problems and resolve them quickly.
- Ability to work well with ever changing priorities and or situations.
- Excellent organizational skills
- Ability to work independently or within a team.
- Familiarity with inventory management.
- Familiarity with computers (including Microsoft Office programs).

**OTHER QUALIFICATIONS:**

- Ability to travel approximately 2 weeks per month within assigned territory
- Warehouse managerial or supervisory experience a plus
- Must qualify for correctional facility security clearance
- Must pass drug screening test

**PHYSICAL DEMANDS**

While performing the duties of this job, the employee will often be required to stand, sit, walk, reach, talk and hear. The employee will occasionally be required to lift up to 50 pounds.

**WORK ENVIRONMENT**

While performing the duties of this job, the employee will occasionally be exposed to outdoor weather conditions. The noise level is moderate (examples: business office with computers and printers, light traffic).

**Keefe Commissary Network Commissary Manager**

Job Title: Commissary Manager  
Department: On-site Commissary  
Reports To: KCN Management  
FLSA status: Exempt

**GENERAL PURPOSE OF THE JOB:**

Manage all aspects in providing commissary operations and services to the correctional facility (ies).

**ESSENTIAL DUTIES AND RESPONSIBILITIES:**

- Manage all aspects of supervising, training, scheduling and disciplining commissary staff.
- Manage and account for all aspects of on-site inventory control including ordering, receiving, stocking product, and processing orders.
- Ensure all employees know and follow all rules, regulations, policies, and procedures of the correctional facility.
- Ensure commissary menus and order forms are distributed to our customers in accordance with the approved schedule.
- Collect and process completed order forms.
- Resolve and respond to all inmate grievances within 48 hours of receipt.
- Ensure all credited product is returned back into inventory properly.
- Advise KCN Manager of any changes to the approved schedule.
- Perform and report weekly audit of high security items.
- Maintain an open relationship and act as a liaison with Department of Corrections and Keefe Commissary Network.
- Attend weekly, monthly, quarterly Department of Corrections staff meetings at the correctional site as required.
- Process weekly time sheets for submission to payroll and maintain attendance calendars and employee files for on-site staff.
- Perform required Employee Performance reviews for commissary staff.
- Maintain all KCN areas/equipment/products in a neat, clean, and orderly manner and maintain American Correctional Association & American Jail Association standards/guidelines when applicable
- Attend required annual on-site security classes and remain current in required certifications.
- Ensure all employees follow the policies and procedures outlined in the Personnel Policies and Benefits Summary and the KCN Best Business Practices Guide.
- Complete miscellaneous duties assigned by KCN Management

**SUPERVISORY RESPONSIBILITIES:**

This job has supervisory responsibilities.

**EDUCATION AND/OR EXPERIENCE:**

Associate's degree (A. A.) or equivalent from two-year college or technical school; or six months to one year related experience and/or training; or equivalent combination of education and experience.

**LANGUAGE SKILLS:**

Ability to read and interpret documents such as safety rules, operating and maintenance instructions, and procedure manuals. Ability to write routine reports and correspondence. Ability to speak effectively before groups of customers or employees of organization.

**MATHEMATICAL SKILLS:**

Ability to add, subtract, multiply, and divide in all units of measure, using whole numbers, common fractions, and decimals. Ability to compute rate, ratio, and percent and to draw and interpret bar graphs.

**REASONING ABILITY:**

Ability to solve practical problems and deal with a variety of concrete variables in situations where only limited standardization exists. Ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form.

**CERTIFICATES, LICENSES, REGISTRATIONS:**

- Valid driver's license
- DOC ID pass

**OTHER SKILLS AND ABILITIES:**

- Must be a self-starter who can work well with people at all levels.
- Requires strong supervisory skills: a demonstrated ability to lead people and get results through others.
- Ability to work in a correctional environment
- Excellent oral and written communication skills.
- Ability to define problems and resolve them quickly.
- Ability to work well with ever changing priorities and or situations.
- Excellent organizational skills
- Ability to work independently or within a team
- Familiarity with inventory management
- Familiarity with computers (including Microsoft Office programs)

**OTHER QUALIFICATIONS:**

- Must qualify for and maintain correctional facility security clearance
- Must pass drug screening test
- Must pass background check, credit check and MVR check

**PHYSICAL DEMANDS**

While performing the duties of this job, the employee must often talk or hear, is regularly required to stand, walk, sit, use hands and reach with hands and arms and occasionally climb or balance, stoop, kneel, crouch, or crawl. The employee must regularly lift up to 25 lbs. and occasionally lift up to 50 pounds.

**WORK ENVIRONMENT**

The employee will occasionally be exposed to outdoor weather conditions. The noise level in the work environment is usually moderate.

**Keefe Commissary Network -- Supervisor**

Job Title: Supervisor- Individual On-Site AZDOC Complex

Department: Keefe Commissary Network

Reports To: Commissary Manager

FLSA status: Salary - Exempt

**GENERAL PURPOSE OF THE JOB**

- Assist in the management of all aspects of commissary operations and services to AZDOC Complex where assigned.

**ESSENTIAL DUTIES AND RESPONSIBILITIES**

- Assist in the management of all aspects of supervising, training, scheduling, hiring and disciplining Full Time and Part-Time commissary staff
- Stay abreast of all current applicable federal/state/local employment policies, procedures and regulations
- Supervise all aspects of physical on-site commissary delivery , administrative functions, bulk deliveries and local warehousing operations
- Ensure that all schedules, time tables and deadlines are met consistently
- Assist in preparing local, written operating policies and procedures, to include delivery operations, administration, training, warehousing, security, safety and technical areas
- Participate in long range planning and ongoing reviews of current operations to ensure operational efficiency
- Supervise the distribution, collection and processing of commissary menus and order forms in accordance with the approved schedule
- Ensure the response to and the resolution of all inmate complaints/grievances within the established 24 hour time frame.
- Assist in the crediting of all inmate accounts, and ensure that all credited product is inventoried and returned back to the Distribution Center properly
- Supervise all aspects of on-site inventory control including ordering, receiving, stocking product, inventorying product and processing orders
- Perform a weekly audit of high security items and forward information to the Commissary Manager. (if applicable)
- Maintain an open relationship and act as a liaison with Department of Corrections and Keefe Commissary Network.
- Supervise the preparation of weekly payroll report/time sheets for approval by the Commissary Manager and maintain attendance calendars and employee files for all Full Time and Part Time on-site staff
- Perform and/or ensure completion of required Employee Performance Reviews for Full Time and Part Time commissary staff (30-day, 90-day, annual)
- Supervise proper maintenance and/or accountability of all KCN areas/equipment/products in a neat, clean, and orderly manner, ensure consistent compliance with American Correctional Association & American Jail Association standards/guidelines when applicable
- Assist with conducting required annual on-site security and training classes and maintain facility required training records.
- Train and certify commissary employees in the safe operation of forklift/tuggers



- Ensure all commissary employees know and follow all rules, regulations, security policies and procedures of the correctional facility where they are located
- Ensure all commissary employees follow the policies and procedures outlined in the KCN Best Business Practices Guide, the Local Operations, Administrative and technical manuals at all times
- Ensure all administrative functions are carried out in compliance with all Company policies and assist in ensuring that all local operating policies/procedures are reviewed and remain current
- Attend weekly, monthly, quarterly Department of Corrections/KCN departmental staff meetings as required.
- Prepare daily/weekly/monthly reports, to include delivery recap reports, incident reports, injury/accident reports etc...
- Assist in preparation and review of current alternate operational plans for emergency commissary deliveries and unanticipated facility security related incidents
- Attend company sponsored training events/seminars as necessary
- Act in position of Commissary Manager as required
- Complete miscellaneous duties as assigned by the Commissary Manager

**SUPERVISORY RESPONSIBILITIES:**

Administrative  
Warehouse  
Delivery Operations

**CERTIFICATES, LICENSES, REGISTRATIONS:**

Valid Drivers License  
State CRIPA Certification (if applicable)

**OTHER SKILLS AND ABILITIES:**

- Must be a self-starter who can work well with people at all levels both in and out of KCN Organization and the correctional facility in a professional, upbeat manner.
- Requires strong supervisory skills: a demonstrated ability to lead people and get results through others.
- Ability to follow instructions and follow through on assignments.
- Ability to work in a correctional environment.
- Excellent oral and written communication skills.
- Ability to define problems, and resolve them quickly.
- Ability to work well with ever changing priorities and or situations.
- Excellent organizational skills
- Ability to work independently or within a team
- Familiarity with inventory management
- Familiarity with computers (including Microsoft Office programs)

**OTHER QUALIFICATIONS:**

- Must pass a correctional facility security clearance and maintain a facility security ID
- Must pass drug screening test

**Keefe Commissary Network – Commissary Representative**

Job Title: Commissary Representative

Department: On-site Commissary

Reports To: Commissary Manager

FLSA Status: Non-Exempt

**GENERAL PURPOSE OF THE JOB:**

Assist in providing commissary operations and services to assigned KCN Commissary location

**ESSENTIAL DUTIES AND RESPONSIBILITIES:**

- Delivery of individually packaged orders to inmates at specified correctional facilities with the supervision of a correctional officer in a timely and efficient manner including but not limited to
  - Positively identify the inmate
  - Obtain signature of inmate on 2 ply order receipt
  - Forward 2<sup>nd</sup> copy of order receipt back to inmate
  - Note any and all discrepancies or damages on both copies of order receipt
  - Retain signed copy of order receipt
  - Retain and dispose of all plastic bags and trash generated in process
  - Account for all signed receipts
- Responsible for sending required information and reports, including timesheets, to Regional Distribution Center.
- Maintain all KCN areas/equipment/products in a neat, clean, and orderly manner and maintain American Correctional Association & American Jail Association standards/guidelines when applicable.
- Attend orientation and training, annual on-site security classes and remain current in certifications as required by the Facility.
- Follow all the policies and procedures outlined in the KCN Best Business Practices Guide at all times.
- Complete miscellaneous duties assigned by KCN Commissary Manager.

**SUPERVISORY RESPONSIBILITIES:**

This job does not have any supervisory responsibilities.

**EDUCATION AND/OR EXPERIENCE:**

High school diploma or general education degree (GED); or one to three months related experience and/or training; or equivalent combination of education and experience.

**LANGUAGE SKILLS:**

Ability to read and comprehend simple instructions, short correspondence, and memos. Ability to write simple correspondence. Ability to effectively present information in one-on-one and small group situations to customers, clients, and other employees of the organization.

**MATHEMATICAL SKILLS:**

Ability to add and subtract two digit numbers and to multiply and divide with 10's and 100's. Ability to perform these operations using units of American money and weight measurement, volume, and distance.

**REASONING ABILITY:**

Ability to apply common sense understanding to carry out detailed but uninvolved written or oral instructions.  
Ability to deal with problems involving a few concrete variables in standardized situations.

**CERTIFICATES, LICENSES, REGISTRATIONS:**

- Valid Photo ID

**OTHER SKILLS AND ABILITIES:**

- Must be a self-starter who can work well with people in a correctional facility in a professional, upbeat manner.
- Ability to work in a correctional environment.
- Ability to work well with ever changing priorities and or situations.
- Ability to lift up to 50lbs.

**OTHER QUALIFICATIONS:**

- Must qualify for correctional facility security clearance.
- Must pass drug screening test.
- Must pass background check.
- Familiarity with computers (including Microsoft Office programs) preferred.

**PHYSICAL DEMANDS:**

While performing the duties of this job, the employee is regularly required to walk, stand, reach, talk and hear. The employee will often be required to lift up to 10 lbs and occasionally lift up to 50 lbs.

**WORK ENVIRONMENT**

While performing the duties of this job, the employee will occasionally be exposed to outdoor weather conditions. The noise level is moderate.

**Keefe Commissary Network – Administrative Assistant**

Job Title: Administrative Assistant

Department: Administrative/Management/Warehouse

Reports To: KCN Management

FLSA Status: Non-Exempt

**GENERAL PURPOSE OF THE JOB:** To provide a central resource for customers, salespeople and regional KCN staff members in account and item set up, maintenance and general support.

**ESSENTIAL DUTIES AND RESPONSIBILITIES:**

- Answer phones and log calls
- KCN Customer master file maintenance in AS400
- Research/reconcile customer billing inquiries
- Assist in the review and collection of KCN receivables
- Process payables for payment of KCN vendor invoices
- Process vendor invoices for approval and payment
- Release, review accuracy, and mail invoices to all KCN customers
- Filing of customer invoices and credits in a timely manner
- Assist in preparation of spreadsheets for KCN monthly reports
- Design and test AS400 for administrative uses as needed
- Regular activity reporting to manager
- Monitor inventory of equipment at customer locations and not yet placed
- Book travel arrangements for technical staff
- Assist in documenting procedures for regional KCN staff and distribution centers
- Maintain office supply inventory
- Back up Secretary-Receptionist/General Office Staff as needed
- Complete miscellaneous duties and assignments as assigned by Manager

**SUPERVISORY RESPONSIBILITIES:**

This position does not have any supervisory responsibilities.

**EDUCATION AND/OR EXPERIENCE:**

High school diploma or general education degree (GED); or one to three months related experience and/or training; or equivalent combination of education and experience.

**LANGUAGE SKILLS:**

Ability to read and comprehend simple instructions, short correspondence, and memos. Ability to write simple correspondence. Ability to effectively present information in one-on-one and small group situations to customers, clients, and other employees of the organization.

**MATHEMATICAL SKILLS:**

Ability to add, subtract, multiply, and divide in all units of measure, using whole numbers, common fractions, and decimals. Ability to compute rate, ratio, and percent and to draw and interpret bar graphs.

**REASONING ABILITY**

Ability to apply common sense understanding to carry out detailed but uninvolved written or oral instructions.  
Ability to deal with problems involving a few concrete variables in standardized situations.

**CERTIFICATES, LICENSES, REGISTRATIONS:**

- Valid Photo ID

**OTHER SKILLS AND ABILITIES:**

- Must be a self-starter who can work well with people at all levels both in and out of KCN Organization and correctional facilities in a professional manner.
- Ability to prioritize projects from several sources and departments.
- Ability to work well with ever changing priorities and or situations.
- Strong organizational skills.
- Ability to work independently or within a team.
- Customer service oriented.
- Excellent telephone and communication skills.
- 10-key calculator experience.
- General office machine experience.
- PC experience required – word processing and spreadsheet generation (including Microsoft Office programs).

**OTHER QUALIFICATIONS:**

- Must qualify for correctional facility security clearance
- Must pass drug screening test
- Must pass background check
- Familiarity with computers (including Microsoft Office programs) preferred

**PHYSICAL DEMANDS**

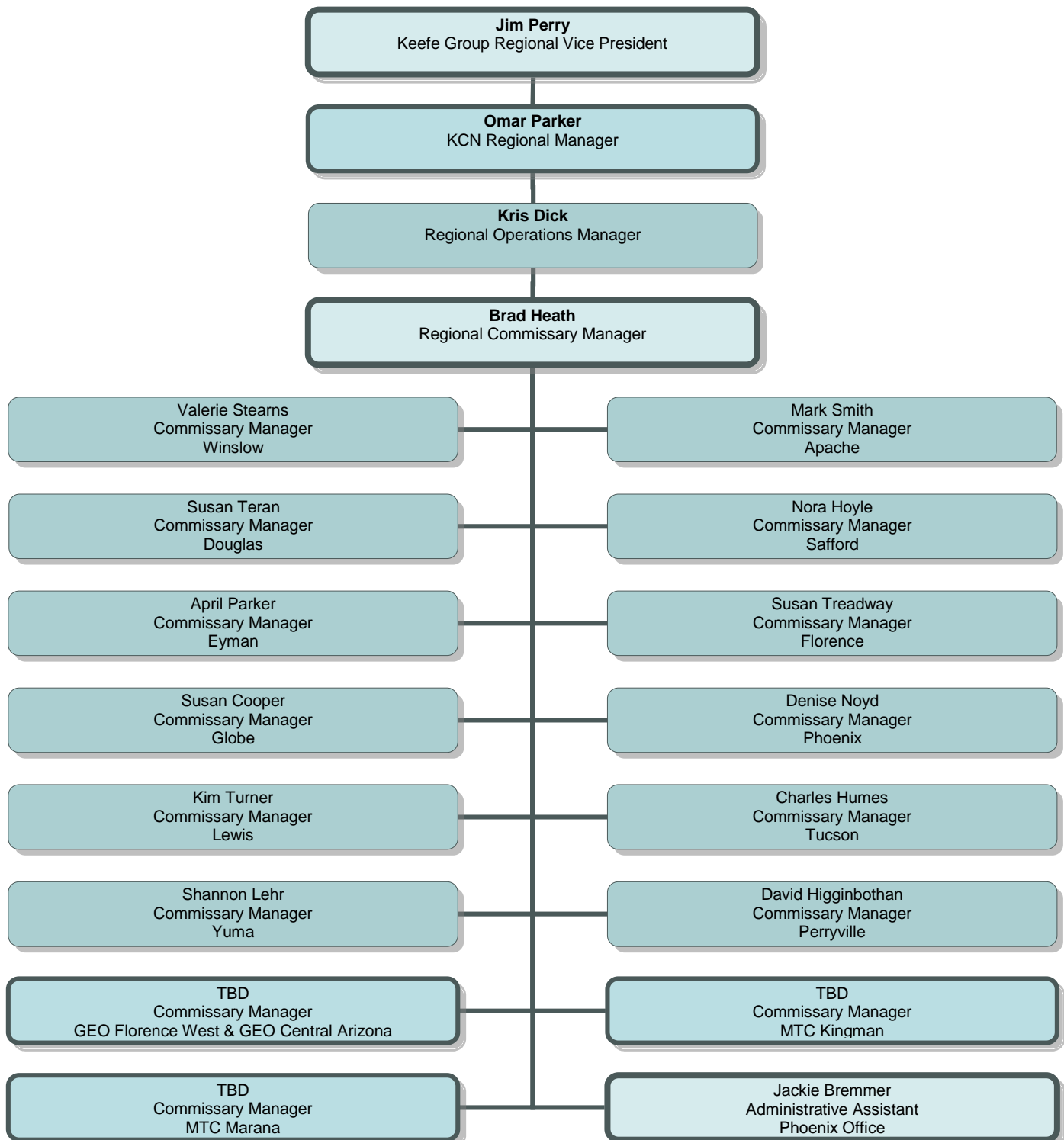
While performing the duties of this job, the employee will often be required to stand, walk, sit, reach, talk and hear. The employee will occasionally be required to stoop or kneel. The employee will occasionally be required to lift up to 25 pounds.

**WORK ENVIRONMENT**

While performing the duties of this job, the employee will not be exposed to any unusual environmental conditions. The noise level is moderate (examples: business office with computers and printers, light traffic).

4.20.2 The Offeror must provide an organizational chart reflecting the organizational structure of the operation to include relationships to corporate offices.

In addition to the organizational chart below, we have also provided a list of our staff, their titles, their salary, and their role at each of your locations on Attachment R, "Employee Breakdown".



**Corporate Support**

KCN's Corporate Headquarters is located at the address below and key staff at the location are:

Keefe Group Corporate Offices  
10880 Lin Page Place  
St. Louis, MO 63132  
Phone 314-919-4100  
Fax 314-919-4109

John Puricelli	Executive Vice President, General Manager
Keith Johns	Senior Vice President, Sales
Mike Manning	GM/VP, Access Corrections
John Vitale	Vice President, Technical Services
8 Product Development staff members	Located in the Saint Louis Corporate office, working 40 hours per week each to develop new correctional products and correctional friendly packaged products.
7 Marketing Department staff members	Assist in the creation of the Family Package website and marketing/sales collateral material for this program.
4 Technical Programmers	Located in the Saint Louis Corporate office, dedicated to KCN's software and interfaces.
7 Technical and Marketing Sales staff members	Located in the Saint Louis Corporate office, assisting with special projects and menus for the State.
13 Administrative Business personnel	Located in the Saint Louis Corporate office to assist with invoicing and administrative needs.
4 Operations staff members	Located in the Saint Louis Corporate office to assist the local, dedicated KCN/State employees with any warehousing and operational needs including equipment, uniforms, inventory control, training, operational plans
Call Center Team (63 Employees)	The Call Center Team, a four-tier level of service, is the primary support for technical calls. Call Center hours are from 7 a.m. – 7 p.m. CST.
Contact Services Level 1	Level 1 is the first line of contact for technology customer service requests via phone or e-mail. The role of this team is to handle all incoming requests, solve simple user questions/concerns and route all higher level technical calls to the next level of technical support.
Escalation Services Level 2	Level 2 is the delivery of complex customer service requirements, solving problems, assisting partners with issues above the contact services expertise.
Data Center Services	This level handles the operation and control of



Level 3	corporate computer systems relating to the customer. This group orders, configures, monitors, and tracks the hardware provided to KCN partners.
Project Services Level 4	This level of staff plans and implements software, hardware and network deployments at partner sites. They create custom reports, install new/upgraded hardware on site at partner facilities and assist in high level technical issues.

4.20.3 The Contractor shall be responsible for the staffing of the Inmate Store operation(s) during all operational hours.

4.20.3.1 A position list shall be provided to the Department. This list shall be reviewed annually or at any time during the Contract term by the Department.

Acknowledged and agreed. All Keefe staff are subject to review and approval by the ADC.

4.20.3.2 The Contractor shall not make any changes to the final approved staffing, during the Contract term without prior written approval of the Department.

Acknowledged and agreed. The current list of Keefe employees serving the Department is above.

4.20.3.2.1 The Contractor shall not allow any position approved in the contract to remain unfilled for more than 30 calendar days, without approval from Offender Operations.

Acknowledged and agreed.

4.20.3.3 If salaried staff shall be absent for more than four consecutive calendar days, the Contractor shall notify the Department in writing, along with an operational plan of how responsibilities are being covered.

Agreed.

4.20.3.4 The Contractor shall provide trained relief personnel to substitute for regular employees when they are absent.

Agreed.

4.20.3.5 The Department reserves the right to review the qualifications of all the Inmate Store staff that the Contractor proposes to hire. The Department may deny approval of proposed staff.

Acknowledged and agreed. The Department shall have the right to review and discuss any Keefe prospective staff.

4.20.3.6 The Contractor shall have written job descriptions, task analysis and time line charts for all positions.

KCN has provided the requested job descriptions above in Section 4.20.1. KCN has provided the list of tasks and job descriptions. Review of performance and tasks is on-going. Keefe plans to keep current staff in place, and unlike other providers will not have open positions to recruit to, hire and train for the unique requirements of the ADC.

4.20.3.7 All Contractor employees employed to work at the institution must be citizens of the United States or have the proper work permits and passport as substantiation.

Acknowledged and agreed.

Keefe will verify that all employee documentation is in order, conduct a background check and drug screening prior to hiring.

4.20.4 CONTRACTOR'S STAFF TRAINING:

4.20.4.1 Contractor's Staff Training shall be the responsibility of the Contractor to see that all employees hired to work in the Inmate Stores are informed of all pertaining laws, policies and procedures for both the Department and the Contractor, relative to their job and relations with inmate workers.

Security and safety are our number one priorities. Below are a few of our policies and procedures as they apply to working in an Arizona Department of Correction Facility.

- All employees as part of Keefe Commissary's initial and refresher training will review, receive and sign for a copy of AZ DOC policy 501 Professional Ethics and Conduct and AZ DOC Policy 708 Searches.
- Employees will always have physical control over vehicles, keys and office equipment. Any item that could be used as a weapon will not be left lying around on desks, tables or in vehicles. Employees will never give to, loan or allow an inmate to see a key.
- Managers conduct "regular, random" searches of all company vehicles, commissary stores and any other areas which are within our control in an effort to ensure our operations remain contraband free.
- Employees will not assist inmates attempting to escape the control of AZ DOC. Employees will report WITHOUT DELAY any known escape plan or observation of an attempted escape.
- Keefe personnel who load/unload or operate our company trucks will make sure that they are secure whenever they are unattended. If the lift gates are being used and the truck needs to be running to power it, an employee WILL always remain in the cab of the truck.
- When reporting to work, Staff is not permitted to bring any item into this facility that is not directly associated with their duties. Restricted items that are discovered on an employee's person may be confiscated by the facility. The employee then may be escorted outside and their security pass may be revoked for violating facility security regulations. Criminal charges may follow.
- Employees should always keep in mind that they work in a correctional environment and therefore anything and everything is considered to have a security value. Employees should exercise good sound judgment and common sense when entering the facility with personal items or possible contraband.
- Employees who observe security violations are required to report those violations to a Supervisor immediately.
- Employees should always be aware of their surroundings and know what the emergency plans are for the area they work within. It is extremely important that all employees follow the directions of the correctional staff in an emergency.

- 4.20.4.2 All Contractor personnel shall receive New Employee Orientation and refresher training annually as required by the Department. New employees of the Contractor shall be expected to attend the first available orientation class after being hired. Training and training information shall be provided through the institution, prior to the employee starting work.
- 4.20.4.3 All employees of the Contractor at the institution shall complete the courses and number of training hours in the Department's annual training program, as provided by Department Policy.

Response to Section 4.20.4.2 - 4.20.4.3

Keefe Commissary Network requires that our employees meet the following mandated training standard for the Arizona Department of Corrections and Keefe Commissary Network:

**DOC Initial Training:**

All new Keefe employees assigned to work in a correctional facility must complete forty (40) hours of New Employee Orientation (NEO). This training should occur before the Keefe employee begins actual delivery work.

**Keefe Initial Training:**

Each manager has been supplied with *first day* (1<sup>st</sup>) orientation material that they are to review in detail with each new employee. This would include the information listed above as well as copies of DOC policies 501 and 708.

New employees shall be paired up with experienced Keefe employees for all “on the job training”

**DOC Annual Training:**

All current Keefe employee assigned to work in a facility must complete twenty four (24) hours of annual refresher training each calendar year.

All training DOC should be scheduled by the commissary manager as needed.

Our commissary manager keeps a record of all employee training (both DOC and Keefe training) in the employee’s file. The commissary manager will ensure that all DOC training attended by Keefe employees is properly recorded in the State record system.

**Annual Keefe Training:**

Keefe training is ongoing and thorough, including daily training/ briefing sessions. All training should be documented with a sign in sheet and an agenda of the training, with training materials on file for inspection.

4.20.5 CONTRACTOR'S MANAGEMENT:

4.20.5.1 The Contractor shall designate one employee as the Institutional Inmate Store Manager, who shall be responsible for the day to day operations at each Complex.

4.20.5.1.1 The Department requests the Contractor identify the manager intended to manage the proposed facility; supplying the Department a detailed resume, references and background of qualifications. The Department reserves the right of approval for the position of the Manager.

Regional Manager – Bradley Heath	Perryville – David Higgenbothan
Winslow – Valerie Stearns	Yuma – Shannon Lehr
Apache – Mark Smith	Tucson – Charles Humes
Douglas – Susan Teran	Phoenix(s) – Denise Noyd
Safford – Nora Shaver	Lewis – Kim Turner
Eyman – April Parker	MTC Kingman – TBD
Florence – Susan Treadway	MTC Marana – TBD
Globe – Susan Cooper	GEO Florence West & Central AZ – TBD

**Bradley Heath, KCN AZ Regional Manager** has been employed by Keefe Group since 2008. He previously managed new home construction and worked in sales and service for 4 years following his retirement from the Oregon Department of Corrections. There, he gave nearly 27 years of dedicated service in security operations. During his career in corrections, he advanced from an Officer to Assistant Superintendent before retirement. He acquired many certificates for achievements and training credentials. He received recognition twice in 2009 for outstanding service and was presented with Keefe Group Star Awards.

**Jacqueline Bremmer, Administrative Assistant, Phoenix Office** has worked for Keefe Group since 2008 as an Administrative Assistant in the Phoenix Arizona Office. Prior to that, she was an Executive Assistant at Value Options for two years, where she received an award for outstanding performance. She was also an Operations/Media Manager for Western International Media for 12.5 years. She served in the US Air Force for five years with an honorable discharge as a Staff Sergeant.

**Susan Teran, Manager, ASPC Douglas/Papago** has been with Keefe Group for approximately 6 years. She currently oversees the Douglas Facility and Papago Complex. Before her employment with Keefe Commissary Network, Susan worked with ALTA Apartments, managing property rentals and is a former Correctional Officer with ASPC-Douglas. Susan has been awarded the prestigious Centric Star Award four times for Outstanding Performance. She

has been recognized in the First and Second Quarter of the newly published AZ KCN Newsletter, The Arizona Release, highlighting her operation and having been recently recognized by the ADC for her outstanding performance.

**April Parker, Manager, ASPC Eyman** has been with the Keefe Group for 5 & 1/2 years. She started with Keefe at the Apache Unit, was promoted up to the Safford Complex, and is currently managing the Keefe operation at Eyman. Before being employed by Keefe, she worked with AAFES (Army Air Force Exchange Service) for 5 years, the Compass Group for a year, and Circle K for 2 years. She has been awarded the STAR Award twice from Keefe. The Arizona Department of Corrections awarded April the Initiative Award and the Team Player Award while working at the Apache Unit.

**Susan Treadway, Manager, ASPC Florence/Picacho** has been with Keefe Group for 3 yrs. She is currently the facility Manager for Florence. Before her employment with Keefe, Susan worked in the retail industry for many years. A Star recipient in April 2009 for employee retention, she has developed a very successful team at the Florence facility.

**Susan Cooper, Commissary Supervisor, ASPC Globe Complex** has been with Keefe Group for 6 years. Susan initially managed operations at Eyman Complex in Florence, AZ and is currently managing our facility in Globe, AZ. She has been recognized 3 times internally for "Outstanding Performance" and by the ADC at both locations for "Excellence in Performance". Before her employment with Keefe, Susan enjoyed 14 years in law enforcement as a certified peace officer, maintaining several LE related state certifications. Susan left as a highly decorated officer for her performance throughout those years of service.

**Nora Shaver, Manager, ASPC Safford/Ft. Grant** has worked for Keefe Group for nearly 3 ½ years. Previously, she had 9 years of experience working for Portrait Company of America and was awarded Top Studio Manager in 2001. At one point, she managed 10 studios across Arizona.

**Valerie Stearns, Manager, ASPC Winslow/Apache** has been employed with Keefe Group for 1 ½ years. She is the Manager for the Winslow/Apache Complexes. Valerie worked for the ADC for nearly 19 years prior to coming to work for Keefe, and most recently worked as a staff trainer. Other experience she brings to the job is a strong administrative and record keeping background.

**Denise Noyd, Commissary Supervisor ASPC Phoenix** has worked for Keefe Group for 6 years. She began as a Delivery Agent at the Eyman Complex before becoming the supervisor in Phoenix. Previously, she worked for Nordstrom for 9 years.

**Charles Humes, Manager, ASPC Tucson/SACRC** has worked for Keefe Group for 2 year. Previously he worked for an electronic manufacturing company for 26 years as a Technician, Repair Supervisor, Customer Service Manager and finally, Marketing/ Sales Manager. During his 26 years of employment, he received several different awards for attendance, cost savings programs, etc. He has been awarded the Non-Uniformed Employee of the Month at the Tucson Complex.

**Kim Turner, Manager, ASPC Lewis** has worked with Keefe Group for 6 years. Before her employment with Keefe, Kim was employed with local school districts for 3 years. She has received the Stars of Centric Group Award 3 times and has been recognized by former Warden Larson for her contributions to the facility and the fund raisers held at the Lewis Complex.

**Dave Higginbothan, Manager, ASPC Perryville** has worked with Keefe Group for 4 ½ years. Before his employment with Keefe, he worked for Westwind Products for 16 as a VP and Import Buyer. He has received a Perryville Choice Award and a Dedication Appreciation Award.

**Shannon Lehr, Manager, ASPC Yuma** has worked with Keefe Group for 1 year. She previously worked for ADC for 22 years. Her career began in 1988 as she was promoted through the Correctional Series and on to Correctional Administrator I and Correctional Administrator III. She has received numerous awards throughout her time with the department: Employee of the Month 3 times, Supervisor of the Quarter and Supervisor of the Year.

Keefe Commissary Network intends on utilizing Denise Noyd's (Commissary Manager at ASPC Phoenix) experience and knowledge to oversee operations at nearby GEO Phoenix West. KCN will move quickly to hire commissary managers for MTC Kingman, MTC Marana and GEO Florence West and GEO Central Arizona.

- 4.20.5.2 The Contractor shall provide, as part of their proposal, a complete description of the proposed administrative support including degree of involvement and frequency of visitation to the Department's institutions. This information shall include area management, by name, title, job responsibilities and location of offices.

**Jim Perry, Keefe Group Regional Vice President**

Jim Perry, Regional Vice President, has been with Keefe Group since 1999. Jim joined Keefe Group upon graduating from college. Jim started as an Account Manager in St. Louis and moved to California in 2004. He was promoted to Regional Sales Manager and Regional Vice President for one of Keefe Group's companies, Access Securepak. Jim was instrumental in launching and expanding Access Securepak. In 2008, he was promoted to oversee Keefe Commissary Network's Western Region business. In 2010,



he was promoted to Western Region Vice President overseeing Western Region sales in a nine state area of the Western United States. He is based in Fontana, CA. He holds a Bachelor's Degree from Washington University in St. Louis, Missouri. Jim may be reached at (800) 411-0454.

**Omar Parker, KCN Regional Manager**

Omar Parker, Regional Manager for KCN, has been with the KCN team since 2006. Omar joined the Keefe Group from the University of Missouri. Since joining KCN as a Business Development Manager, Omar has since been promoted to the KCN Regional Manager, overseeing KCN accounts in a seven state area of the Western United States with sales totaling over 55 million. He is based in Fontana, CA. Omar has been directly involved in such large transitions as Los Angeles County and serves as Regional Manager for 80 facilities in the Western Region. If KCN is selected as the chosen provider Omar will be involved with every aspect of this new partnership. Since joining KCN in 2006 customer service satisfaction levels have seen a 20% increase. As KCN Regional Manager, Omar will make visits to all ADC locations throughout the year. He holds a Bachelor's Degree from Brigham Young University, Hawaii. Omar is based at 13369 Valley Blvd., Fontana, CA 92335. Omar may be reached at (800) 411-0454. Fax: (909) 357-2352. Email: oparker@keefegroup.com

**Kris Dick, Regional Operations Manager**

Kris Dick joined the Keefe/KCN team in August 2004. Kris came to KCN with six years of warehouse management experience from the United States Army. Kris's local warehouse duties include overseeing all receiving and shipping operations in Fontana, all KCN order fulfillment, monitoring truck lines, inventory levels, employee training and support. He has been called upon on numerous occasions throughout our region for various duties such as training other regional managers, implementing new delivery schedules and operational planning, supply line logistics, and a host of other responsibilities. Kris currently serves as Operational Manager for the Western Region and oversees our on-site operation in Arizona as well as such large accounts as Los Angeles County, Kern County, Riverside County and Santa Barbara County among others. As Operation's Manager, Kris will make frequent visits throughout the state. Kris is based at 13369 Valley Blvd., Fontana, CA 92335 and may be reached at (800) 411-0454. Fax: (909) 357-2352. Email: kdick@keefegroup.com

**4.20.6 PERFORMANCE STANDARDS:**

4.20.6.1 The Contractor shall be required to provide per calendar month, an Income Statement to the Department's Contract Liaison. The format for this statement shall be approved by the Department, with summaries submitted by no later than the 15th of the following month, to include all revenues and expenses. This statement shall also include any product rebates given by vendors. Accurate and timely financial documentation is required and shall be based on a calendar month basis.

Acknowledged and agreed.

4.20.6.2 The Contractor or designee shall be required to maintain and comply with all occupational safety and health standards and regulations promulgated by the Federal, State or local authorities.

Acknowledged and agreed. As the current provider, Keefe Commissary Network is in compliance with all safety and health standards.

4.20.6.3 Contractor staff turnover shall be minimized through adequate training and wages paid to staff at all levels.

Keefe Commissary Network has always made it a priority to hire, train and retain exemplary employees. KCN's incentive programs, competitive wages, profit sharing and benefits contribute to a higher quality employee and better retention than our competitors.

4.20.6.4 Contractor staff shall effectively supervise inmates, requiring a minimum amount of time on the part of institutional supervisory and management staff to settle disputes regarding day to day issues or to write incident and disciplinary reports if necessary.

Acknowledged and agreed. KCN will effectively supervise inmates, requiring little to no time on the part of institutional supervisory and management staff. KCN has further outlined our training and supervision of inmate labor in Section 4.18.

4.20.6.5 Contractor staff shall obtain entry training as per Department Policy and any other as agreed to by the Warden and Inmate Store Manager.

Keefe Commissary Network requires that our employees meet the following mandated training standard for the Arizona Department of Corrections and Keefe Commissary Network:

**DOC Initial Training:**

All new Keefe employees assigned to work in a correctional facility must complete forty (40) hours of New Employee Orientation (NEO). This training should occur before the Keefe employee begins actual delivery work.

**Keefe Initial Training:**

Each manager has been supplied with *first day* (1<sup>st</sup>) orientation material that they are to review in detail with each new employee. This would include the information listed above as well as copies of DOC policies 501 and 708.

New employees shall be paired up with experienced Keefe employees for all "on the job training"

**DOC Annual Training:**

All current Keefe employee assigned to work in a facility must complete twenty four (24) hours of annual refresher training each calendar year.

All training DOC should be scheduled by the commissary manager as needed.

Our commissary manager keeps a record of all employee training (both DOC and Keefe training) in the employee's file. The commissary manager will ensure that all DOC training attended by Keefe employees is properly recorded in the State record system.

**Annual Keefe Training:**

Keefe training is ongoing and thorough daily training/ briefing sessions. All training should be documented with a sign in sheet and an agenda of the training, with training materials on file for inspection.

- 4.20.6.6 The Contractor shall issue timely and complete information regarding Department supplies and equipment repair and replacement to include the urgency or consequence of not getting needed items or service.

Agreed.

**4.20.7 OPERATING POLICIES AND PROCEDURES:**

- 4.20.7.1 Provide two (2) copies of your company's correctional institutional policy and procedure manual.

Per Amendment 3, Keefe Commissary Network has sent a copy of our on-site policies and procedures manual to Christina Jimenez.

**4.20.8 CONTRACT START-UP:**

- 4.20.8.1 All institutions shall be implemented at the same time consistent with the offeror's timeline.

Acknowledged and agreed.

- 4.20.8.2 The Offeror shall provide a Time line to coincide with the activation of the Commissary operation at each Institution as identified herein. The Time line shall start from the day of award and consecutively describe the offeror's activation plan through the duration of the activation of all Institutions. The Offeror shall identify what is required on the Departments part to progressively follow the activation plan.

When considering the size and complexity of your Department's operation, recognizing the

importance of a vendor's experience in the decision making process is crucial. When it comes to industry expertise and knowledge, there is no better choice than Keefe Commissary Network.

As your current commissary provider at all ADC and privately operated prisons throughout the state our need for an activation plan and the requirements on the Department to follow it are limited at best. Our ability to continue to offer our commissary operation without the risk of delays is significant. We have outlined in previous sections our timeline for implementing our Securepak Family and Friends ordering program and our MP3 program, noting the Department's very limited responsibilities.

#### 4.20.9 EQUIPMENT AND FACILITY MODIFICATIONS:

- 4.20.9.1 The Contractor must provide at no cost to the Department all ice machines, freezers, coolers and other such equipment necessary for the operation of the inmate commissary. The Department is not responsible for any cost associated with maintenance or repair of Contractor provided equipment.

Keefe Commissary Network currently provides all ice machines, freezers, coolers and other such equipment required for the inmate commissary operation. We acknowledge the fact that ADC is not responsible for any cost associated with maintenance or repair of our equipment.

- 4.20.9.2 The space provided by the Department to the Contractor shall be used only for the Commissary and permitted related activities as provided, unless the Department gives its written permission for other use and a contract amendment is generated by Procurement Services.

Agreed.

- 4.20.9.2.1 The Contractor shall be required to reimburse the Department annually at \$9 per square foot for any Department Institutional floor space used to operate the Commissary. This rate shall include those utilities listed in Sub-Paragraph 4.21.1.1.

Keefe Commissary Network currently reimburses the Department annually at \$9 per square foot for the ADC Institutional floor space listed in this RFP. We agree to continue to reimburse the Department for such space.

- 4.20.9.2.2 The Commissary space available at each facility is listed on Exhibit #4.

Acknowledged and agreed. As the current Contractor, KCN is familiar with the locations shown in Exhibit #4.

- 4.20.9.3 The Contractor shall not be allowed to use Department owned heavy material handling equipment such as but not limited to forklifts and Department owned vehicles.

Acknowledged and agreed.

- 4.20.9.4 The Contractor shall be required to reimburse the Department for repairs or replacement of any Department property which are damaged or destroyed by the Contractor's employees and inmates assigned to work in the Commissary as a result of a negligent act or failure to act, or improper inadequate supervision and/or training. The Contractor shall not be required to replace or pay for the repair of Department property damaged or destroyed by an act of God or during a major disturbance unless the cause of the major disturbance is determined to be the fault of the contractor.

Keefe Commissary Network will reimburse the department for repairs or replacement of department property damaged or destroyed by the contractor's employees and inmates assigned to work in the commissary as a result of a negligent act or failure to act, or improper inadequate supervision and/or training.

#### 4.21 GENERAL RESPONSIBILITIES AND REQUIREMENTS OF THE DEPARTMENT

- 4.21.1 The Department shall establish reasonable regulations for adequate ingress and egress for the employees of the Contractor, its supplies and shall permit such employees reasonable use of existing corridors, passageways, driveways, rest rooms, locker rooms, and loading platforms. The Department shall provide the following.
- 4.21.1.1 The Department shall provide, heat, lighting, ventilation and the necessary utilities for the operation of the Commissary.
- 4.21.2 The Department shall perform general maintenance and repair of the building structure, natural gas system, water, steam, sewer, electrical, ventilation, heating, floors and floor covering, walls, ceilings, windows, doors.
- 4.21.3 The Department shall provide janitorial supplies for sanitation of the Commissary.
- 4.21.4 The Department shall provide necessary identification cards to the Contractor's staff.
- 4.21.5 The Department shall send its representatives into areas assigned to the Contractor at any time for inspections, repairs, tours or other purposes deemed appropriate by the Department.
- 4.21.6 The Department shall review and direct the Contractor per the terms of the contract with respect to the quality and quantity of items being sold, method of service thereof, operational hours, safety issues, sanitation, and the maintenance of all Commissary areas.

- 4.21.7 The Department shall require the Contractor to remove any of its employees from the Department's premises for any reason sufficient to the Department. Any and all such removals shall be made in the name of the Contractor and the responsibility there of shall be assumed by the Contractor
- 4.21.8 The Department shall be responsible to make all necessary checks on all personnel of the Contractor. All required information to accomplish this procedure shall be provided to the Department. It shall, after the review of this information, be at the discretion of the Department to reject any employee who does not meet the standards as outlined in the Department personnel policies.

Keefe Commissary has read the above section 4.21 and acknowledges and understands the General Responsibilities of the Department.

#### 4.22 HOLIDAYS:

- 4.22.1 With authorization from the Warden, the Contractor may develop a compressed schedule for weeks including a State recognized Holiday ensuring that all commissary items are delivered within that week.

Keefe Commissary Network has addressed each State recognized Holiday and provided a suggested schedule. Keefe has successfully navigated these obstacles each year of our relationship and is open and flexible to the needs not only of the ADC but to each individual facility. KCN has included our updated holiday schedule on Attachment S.

#### 4.23 QUALIFICATIONS OF THE CONTRACTOR:

4.23.1 The Offeror shall have a minimum of five (5) years of experience in inmate commissary store operations.

4.23.1.1 Preference shall be given to offeror's who have experience in prison correctional institutions with populations exceeding 10,000 each. A jail facility shall not constitute experience in a prison correctional institution.

As shown in the table below, at the state level nine entire states, totaling over 200,000 (201,258) inmates, have outsourced their commissary service operations. KCN has partnered with ALL nine states (FL, AZ, VA, MS, MA, RI, WV, ID and VT), totaling 100% of the state DOC out-sourced population.

Customer	ADP	State
Florida DOC	88,924	FL
Arizona DOC	40,000	AZ
Virginia DOC	33,150	VA
Mississippi DOC	13,405	MI
Massachussetts DOC	10,357	MA
Idaho DOC	5,280	ID
West Virginia Division of Corrections	4,700	WV
Rhode Island DOC	3,800	RI
Vermont DOC	1,642	VT
<b>TOTAL DOC INMATES SERVED</b>	<b>201,258</b>	

4.23.1.2 Experience: Furnish a list of the inmate commissary store operations you currently operate in the United States that are applicable to support your experience for paragraph 4.23.1. The list must include the relevant information to support the preference in 4.23.1.1 in order to receive the preference points.

Keefe Commissary Network has provided a complete list of our Correctional Commissary and Inmate Store Accounts in Attachment T.

At the state level, nine entire states, totaling over 200,000 inmates, have outsourced their commissary service operations. KCN has partnered with ALL nine states (FL, AZ, VA, MS, MA, RI, WV, ID and VT), totaling over 200,000 inmates, or 100% of the state DOC out-sourced population.

When considering the size and complexity of your state's operation, recognizing the importance of experience in your decision process is crucial. When it comes to industry expertise and knowledge, there is no better choice than Keefe Commissary Network.



**FLORIDA DEPARTMENT OF CORRECTIONS**

**2601 Blair Stone Road**

**Tallahassee, Florida 32399**

**George Sapp, Contract Manager**

**Assistant Secretary of Institutions**

**Phone: (850) 488-2288**

**Fax: (850) 487-3701**

**87,000 Inmates**

**Contract: 5 Years with one 5 Year renewal**

**Customer since 2003**

**\*\*\*Statewide Commissary Program\*\*\***

Keefe Commissary Network (KCN) was awarded the contract to service the entire state of Florida in October of 2003. The FL DOC is the largest outsourced commissary contract in the history of corrections. KCN transitioned all 247 canteens located across 55 major facilities, annexes, work camps, work release centers, and road prisons, in less than 120 days from the initial startup. This massive startup has never been performed by any other commissary provider, and in such a short time span.

KCN's 55+ on-site managers work in the canteen warehouses. They utilize inmate labor to supply all of the commissary products to the on-site canteens. The inmates are allowed to purchase at the canteens throughout the week. The inmate canteen operators inside the canteens scan the inmate shopper's I.D. card to access the account in the KCN KeepTrak "cashless" system. As the inmates indicate their selections, the canteen operator scans the product and quantity to charge the inmate shopper for the purchase. Inmates shop at the stores on average 11 times per month, producing in excess of 800,000 receipts from the KCN KeepTrak secure store system. The KCN distribution center in Jacksonville, FL serves as the primary product provider to the on-site canteen warehouses. This distribution center totals over 117,000 square feet, carries over \$8 million in inventory daily, employs 120 personnel including 2 Managers and 2 Vice Presidents, and processes over 108,000 additional KCN orders per month.

The entire state of FL is ACA Accredited, including all 247 of our on-site canteens and 55 warehouses. The total order volume on-site at the FL DOC facilities exceeds 23,000 per day, 7 days per week. The on-site facilities utilize their FL DOC state system to account for inmate funds and orders. The completed orders are integrated with our host KCN system in St. Louis for billing and inventory purposes.

KCN was recently chosen again to provide the entire statewide FL DOC commissary operation in a competitive bidding situation.

**VIRGINIA DEPARTMENT OF CORRECTIONS**  
**6900 Atmore Drive**  
**Richmond, VA 23225**  
**Louis Cei, Ph.D.**  
**Special Programs Manager and Contract Administrator**  
**Office: (804) 674-3296 x 1046**  
**Fax: (804) 674-3551**  
**Louis.Cei@vadoc.virginia.gov**  
**32,000 Inmates**  
**1 Year + 9 (one-year) renewal options**  
**\*\*\*Statewide Commissary Program\*\*\***  
**\*\*\*KCN was again awarded the DOC contract in March of 2007\*\*\***

In September of 2002, Keefe Commissary Network (KCN) began servicing the Virginia Department of Corrections (VA DOC). KCN was selected as the commissary provider to service seven facilities (approximately 4,500 inmates) under a pilot program. The pilot facilities represented a cross-section of high and low security inmates across the DOC.

Due to the success of the pilot project, the VA DOC made the decision to expand the program and make it available to the entire DOC, at each facility's discretion. KCN began transitioning additional sites in early 2003. To date, an additional 38 locations (26,500 inmates) have transitioned to KCN. KCN employs two Regional Managers that are responsible for the Western and Eastern Regions respectively, 29 on-site managers and 69 additional canteen delivery and pulling staff. Inmate labor is utilized to assist in commissary order fulfillment while KCN on-site delivery staff handles all deliveries. In addition to the DOC facilities, the Lawrenceville Correctional Center (operated by the GEO Group) joined KCN in 2004. GEO Lawrenceville Correctional Center houses over 1,500 medium-security inmates.

Depending upon the needs of the facility, KCN provides 3 different operational options to the VA DOC. All of the VA DOC facilities utilize the state banking system to maintain inmate funds. The KCN order entry system is integrated with the state banking system for order entry and the return of commissary purchase amounts. The three operational options to the VA DOC facilities are as follows:

- **On-site Window Operation** – Inventory is maintained on-site at the commissary store. The inmates complete an order form. The order forms are collected and scanned into the KCN system by KCN on-site employees. Once the order scanning process is completed, the order receipts are printed on-site. KCN utilizes inmate workers, under the supervision of KCN's on-site management, to process the orders in the commissary store. The inmates receive their processed order within 24 hours of the order form being collected. KCN's on-site staff delivers the orders to the inmates through the commissary storeroom window.
- **On-site Bag Operation** - The order forms are collected, scanned, and pulled as with the option above. However, KCN staff and in some isolated cases Corrections staff, transport and deliver the orders to the inmates directly inside of their housing units.

- **Off-site Bag Operation** – The order forms are transported to another KCN on-site commissary location, via courier. The order forms are scanned and the orders are pulled as with the options above. The processed orders are then shipped to the facilities for delivery by corrections staff.

KCN's software interface with the VA DOC state banking system eliminated the procedure of manually keying orders. In addition, KCN helped engineer an electronic purchases file which is utilized by the business office to automatically debit the inmates' funds for their commissary purchase in the state system. These enhancements have saved valuable time and expense for the business office as well as providing increased accuracy of the operation. KCN's flexibility in meeting each facility's unique needs has contributed greatly to our success.

**MISSISSIPPI DEPARTMENT OF CORRECTIONS**

**723 North President Street**

**Jackson, MS 39202**

**Commissioner Chris Epps**

**[cepps@mdoc.state.ms.us](mailto:cepps@mdoc.state.ms.us)**

**Phone: (601) 359-5600**

**Fax: (601) 359-5680**

**Inmates 15,000**

**Contract: 3 year with 2 - 1 year renewal options**

**\*\*\*Statewide Commissary Program\*\*\***

In April of 2008 Keefe Commissary Network (KCN) started fulfilling the State of Mississippi's Commissary contract. Keefe operates and runs the commissaries of all eight major state facilities, maintaining both on and off-site employees.

Keefe Commissary Network has a warehouse in Pearl, MS, approximately 17,000 square feet, which services all of the MDOC facilities. Orders are received on a weekly basis at the KCN warehouse where they are filled, bagged and delivered within the negotiated timeframe. KCN has two dedicated trucks that deliver to each of the MDOC facilities once a week assuring no deliveries are lost or late. The delivery range for these MDOC facilities is anywhere from 5 miles to 200 miles.

KCN has a warehouse staff of 35 employees who's job descriptions are anywhere from order pullers, sealers, or boxers to inventory control and truck drivers. Keefe also maintains 15 employees throughout the MDOC facilities whose responsibilities include receiving the orders and delivering them to the inmates. All

MDOC utilizes many of the Access Correction items offered by Keefe Commissary Network. These items include but are not limited to:

**Secure Deposits:** Inmate family and friends can deposit funds to inmate accounts via the phone, web and lobby kiosk. This program is used in all MDOC Facilities.

**Secure Mail:** This allows inmate family and friends to send e-mail to the inmates that are delivered with the regular mail. This program was created to cut down on time spent searching incoming mail

and ensures only approved messages are sent to the inmates. It automates the process and takes the human error out of the review process by highlighting all “high security” words the State chooses and eliminates the possibility of contraband being introduced into the Jail via incoming mail. This program is being used at a majority of the MDOC Facilities.

**Secure Media:** A program that allows inmates to have access to MP3 players. A kiosk is installed in the facility that allows inmates to download approved music and literature. This program also allows information to be sent out to the inmates, including but not limited to time sheets and doctor appointments. This program is being utilized at two of the MDOC Facilities with implementation plans at all the remaining MDOC Facilities.

In addition, the MDOC participates in Keefe Commissary Network’s Christmas and Summer secure package programs which are programs that allows parents and loved ones to order items for the inmates twice a year. The secure package programs save MDOC time and money by allowing friends and family members to place orders for their inmate from a convenient web site tailored specifically to department needs. Orders are packaged and sent from KCN’s 100% secured warehouse eliminating the opportunity for contraband to enter the secured area as well as drastically reducing time spent by officers and staff screening packages coming from the outside.

**MASSACHUSETTS DEPARTMENT OF CORRECTIONS**

**50 Maple Street Suite 3**

**Milford, MA 01757-3698**

**Walter Stowe – Director of Support Services**

**Phone: (508) 422-3402**

**Fax: (508) 422-3383**

**walter.stowe@state.ma.us**

**Contract Dates: 3/2002 to 3/2012,**

**10,500 inmates**

**\*\*PRIOR VENDOR - CANTEEN\*\***

**\*\*\*Statewide Commissary Program\*\*\***

The MA DOC utilizes its state system to account for all inmate banking. Keefe Commissary Network (KCN) provides a “funds level” integration between the KCN system and the facility’s inmate banking system, for servicing all state facilities of the MA DOC. The facilities download from the state’s system to the KCN system, ID #s, locations, and available balances. The MA DOC sends no more than \$50 per inmate, which is the DOC’s spending limit, to the KCN system. KCN employees collect the order forms from each of the facilities. The order forms are then scanned into the KCN order entry software at KCN’s distribution center in Walpole, MA. This distribution center totals over 19,000 square feet, stocks over \$1 million in inventory daily, and employs 3 managers and 27 warehouse employees. The KCN software monitors and enforces the restrictions on all levels of the commissary system. Once the order scanning process is completed, the orders are printed for order fulfillment. Once KCN staff packages the individual inmate orders, a separate KCN staff is in charge of scanning the contents of the order to ensure accuracy. The verified orders are then sealed for delivery to the inmates by KCN staff. The sealed orders are transported to the facilities using KCN trucks. During the delivery process, the inmates are responsible for inspecting their orders for completeness, under the supervision of KCN

staff. Once an inmate has verified his contents, they exit the immediate delivery area. The inmates are allowed to retain the plastic bags.

**WEST VIRGINIA DIVISION OF CORRECTIONS**

**112 California Ave.**

**Charleston, WV 25305**

**Jim Rubenstein: Commissioner**

**Phone (304) 558-2036**

**4,700 Inmates**

**1 Year + 4 each, 1 year renewals**

**\*\*\*Statewide Commissary Program\*\*\***

In April of 2006, Keefe Commissary Network (KCN) began servicing the West Virginia Division of Corrections (WV DOC). KCN was selected as the commissary provider to service the nine facilities (approximately 4,200 inmates) of the WV DOC. Utilizing KCN, the State was able to increase security at each facility by establishing a “can-free” commissary list. KCN’s selection of over 5,000 products, with many “security conscious” and packaged exclusively for the correctional market. KCN has partnered with Syscon Justice Systems to provide a statewide inmate banking system which was not present before partnering with KCN. Previously, the State utilized three separate systems which could not communicate with each other. KCN has provided the Syscon Justice System at no charge to the WV DOC. Depending upon the operational needs of each WV DOC facility, KCN provides three different commissary operational plans to the WV DOC to ensure each facilities needs are met. The 3 operational options utilized at the WV DOC facilities are as follows:

- **On-site Window Operation** – Inventory is maintained on-site at the commissary store. Each inmate is responsible for completing their own order form weekly. The order forms are collected and entered into the Syscon Justice System commissary module by KCN on-site employees. Once the order scanning process is completed, the order receipts are printed on-site. KCN utilizes inmate labor, under the supervision of KCN’s on-site management, to process the orders in the commissary store. The inmates receive their processed order within 24 hours of the order form being collected. KCN’s on-site staff delivers the orders to the inmates through the commissary storeroom windows. KCN on-site staff handle all order input, any grievance and any credits from commissary delivery. Northern, Saint Mary’s and Pruntytown Correctional Facilities operate their commissary in this manner.
- **On-site Point of Sale (POS) Operation** - Inmates are open to visit the commissary store throughout the day and purchase goods at the window. Inmates do not fill out an order from prior to their arrival at the store and have access to the commissary store throughout the day. Items are individually charged to the inmates account through a “grocery scan” at the commissary window. KCN on-site staff handle all order input, any grievance and any credits from commissary delivery. Mount Olive and Huttonsville Correctional Facilities operate their commissary in this manner.
- **Off-site Bag Operation** – On-site KCN delivery staff scan the commissary order forms at each institution. Orders are sent electronically to our Cleveland, OH Distribution Center where orders are filled, checked for accuracy and shipped back to the individual facility for next day delivery.

KCN on-site staff receives the shipment of orders and distribute the orders within 24 hours of order input. KCN on-site staff handle all order input, any grievance and any credits from commissary delivery. Anthony, Lakin, Denmar and Martinsburg Correctional Facilities operate their commissary in this manner.

**IDAHO DEPARTMENT OF CORRECTIONS**

**1299 North Orchard Street, Suite 110**

**Boise, ID 83720**

**Tammy Majors, Contract Monitor**

**[tmajors@idoc.idaho.gov](mailto:tmajors@idoc.idaho.gov)**

**Phone: (208) 658-2129**

**4,900 Inmates**

**\*\*PRIOR VENDOR - SWANSON\*\***

**\*\*\*Statewide Commissary Program\*\*\***

KCN provides weekly commissary services to the 13 facilities of the Idaho Department of Corrections. All of the order forms are provided, distributed, collected, and entered by KCN's on-site staff. The facility utilizes their state system to account for inmate funds. This state system is integrated with KCN order entry system for scanning the commissary orders and the electronic return and posting of commissary purchases to the state system. The orders are bagged from a single warehouse location, on-site at the facility. DOC inmates, under the management and supervision of KCN, process the orders. The processed orders are then transported and delivered directly to the inmates at each facility, by KCN's on-site staff. KCN employs eleven personnel in the servicing of the Idaho DOC. We provide a quarterly Securepak program with our delivery staff and an MP3 program. Keefe also provides vending services to the State DOC with a total of 16 vending machines where staff, visitors, and inmates use debit cards to make purchases from the machines. Inmates order the prepaid vending cards from the commissary. All staff and visitors must purchase vending cards from a machine located in the visitation lobby.

**RHODE ISLAND DEPARTMENT OF CORRECTIONS**

**Administration Building**

**40 Howard Ave.**

**Cranston, RI 02920**

**Joanne M. Hill-Associate Director**

**Phone: (401) 462-2617**

**3,800 Inmates**

**Contract Term – 5 Years with 2 1 year renewals (7 total)**

**\*\*\*Statewide Commissary Program\*\*\***

Keefe Commissary Network (KCN) supplies a multi-station LAN to Rhode Island DOC, which utilizes the entire KCN inmate banking system to maintain inmate funds. . The KCN system is integrated with the states management system via a booking and housing interface. In addition, the facility utilizes a real time general ledger in the KCN system.

KCN employs two full-time managers and 11 full time commissary representatives. Commissary orders are scanned during week and pulled and shipped from our on-site location at the RI DOC. The orders are processed

in sealed, clear, plastic bags with the order receipt enclosed. The processed orders are loaded into delivery carts in accordance with the location of the facility they are to be delivered. The staged orders are delivered directly to the inmates on a set delivery schedule throughout the week. The contents of the orders are verified by KCN as delivery is made to the inmate. KCN employees at Rhode Island are responsible for pulling and distributing the orders. KCN handles any returns, credits, and replacements. KCN removes all trash and bags generated from the order distribution from the premises. Employees and vehicles of KCN are subject to security clearances and search by Rhode Island DOC. KCN handles any grievances regarding commissary in a fair and prompt manner.

4.23.1.3 List all accounts which you have lost or were canceled in the last five (5) years which are similar in type and give the reason for each. Negative information relating to accounts that would otherwise support the preference points may result in the preference points not being given.

**Keefe Commissary Network serves nine of nine (over 200,000 inmates) of the privatized state Department of Corrections accounts nationwide. Of the 9 accounts we service, none of them have ever been lost or cancelled.**

Listed below are all of the State DOC Correctional accounts we have operated in the past five years. While we have never lost a Correctional account, we have provided an explanation of why a contract was re-bid where applicable.

**FLORIDA DEPARTMENT OF CORRECTIONS**

**2601 Blair Stone Road  
Tallahassee, Florida 32399  
George Sapp, Contract Manager  
Assistant Secretary of Institutions  
Phone: (850) 488-2288  
Fax: (850) 487-3701  
87,000 Inmates  
Contract: 5 Years with one 5 Year renewal  
\*\*\*Statewide Commissary Program\*\*\***

Our original contract with Florida ended. As a result, Florida issued a new RFP. In a competitive bid situation, the contract was re-awarded to KCN.

**VIRGINIA DEPARTMENT OF CORRECTIONS**

**6900 Atmore Drive  
Richmond, VA 23225  
Louis Cei, Ph.D.  
Special Programs Manager and Contract Administrator  
Office: (804) 674-3296 x 1046  
Fax: (804) 674-3551  
[Louis.Cei@vadoc.virginia.gov](mailto:Louis.Cei@vadoc.virginia.gov)  
32,000 Inmates  
1 Year + 9 (one-year) renewal options  
\*\*\*Statewide Commissary Program\*\*\***



Our original contract with Virginia ended. As a result, Virginia issued a new RFP. In a competitive bid situation, the contract was re-awarded to KCN.

**MISSISSIPPI DEPARTMENT OF CORRECTIONS**

**723 North President Street**

**Jackson, MS 39202**

**Commissioner Chris Epps**

**[cepps@mdoc.state.ms.us](mailto:cepps@mdoc.state.ms.us)**

**Phone: (601) 359-5600**

**Fax: (601) 359-5680**

**Inmates 15,000**

**Contract: 3 year with 2 - 1 year renewal options**

**\*\*\*Statewide Commissary Program\*\*\***

**MASSACHUSETTS DEPARTMENT OF CORRECTIONS**

**50 Maple Street Suite 3**

**Milford, MA 01757-3698**

**Walter Stowe – Director of Support Services**

**Phone: (508) 422-3402**

**Fax: (508) 422-3383**

**[walter.stowe@state.ma.us](mailto:walter.stowe@state.ma.us)**

**Contract Dates: 3/2002 to 3/2012,**

**10,500 inmates**

**\*\*\*Statewide Commissary Program\*\*\***

**WEST VIRGINIA DIVISION OF CORRECTIONS**

**112 California Ave.**

**Charleston, WV 25305**

**Jim Rubenstein: Commissioner**

**Phone (304) 558-2036**

**4,700 Inmates**

**1 Year + 4 each, 1 year renewals**

**\*\*\*Statewide Commissary Program\*\*\***

**IDAHO DEPARTMENT OF CORRECTIONS**

**1299 North Orchard Street, Suite 110**

**Boise, ID 83720**

**Tammy Majors, Contract Monitor**

**[tmajors@idoc.idaho.gov](mailto:tmajors@idoc.idaho.gov)**

**Phone: (208) 658-2129**

**4,500 Inmates**

**\*\*\*Statewide Commissary Program\*\*\***

Our original contract with Idaho ended. As a result, Idaho issued a new RFP. In a competitive bid situation, the contract was re-awarded to KCN.

**RHODE ISLAND DEPARTMENT OF CORRECTIONS**

**Administration Building**

**40 Howard Ave.**

**Cranston, RI 02920**

**Joanne M . Hill-Associate Director**

**Phone: (401) 462-2617**

**3,800 Inmates**

**Contract Term – 5 Years with 2 1 year renewals (7 total)**

**\*\*\*Statewide Commissary Program\*\*\***

Our original contract with Rhode Island ended. As a result, Rhode Island issued a new RFP. In a competitive bid situation, the contract was re-awarded to KCN.

**Keefe Commissary Network was just recently selected by the Vermont Department of Corrections.**

- 4.23.1.4 List all Correctional commissary or inmate store accounts you have operated in the past five years, their current status, reasons why, if any, of these contracts have been lost or re-bid and provide contact information for each account to include name of contact, title of contact, address, city, state, zip code, email or fax.

**KCN has provided this information in Attachment T of this proposal, “KCN Customer List”.**

- 4.23.2 Provide a summary of ownership, finances, age and scope of company.

Below is a brief description of the development of Keefe Group over the past 36 years.

**COMPANY HISTORY AND BACKGROUND**

**The Centric Group**

The Centric Group Limited Liability Company (L.L.C.), formerly known as the Enterprise Capital Group, was established in 1974 to diversify the financial interests of the Jack C. Taylor family, owners of Enterprise Rent-A-Car. Centric Group L.L.C. was formed in July, 1999 when the Enterprise Capital Group was spun out from Enterprise Rent-A-Car. The Centric Group is the managing parent company of four (4) principal businesses: the Keefe Group, Boone Valley Golf Club, Inc., Courtesy Products/Packaging and TRG Group. Combined, the Centric Group achieved sales of over \$724 million in 2010, with 2,458 employees. The Keefe Group, comprised of Keefe Supply Company, Access Catalog Company L.L.C. and Keefe Commissary Network L.L.C., is the major contributor to Centric Group’s revenues with staffing of 2,095 employees nationwide and 2010 sales of \$626 million. KCN alone employs 1,709 employees and achieved 2010 sales revenues of \$284 million.

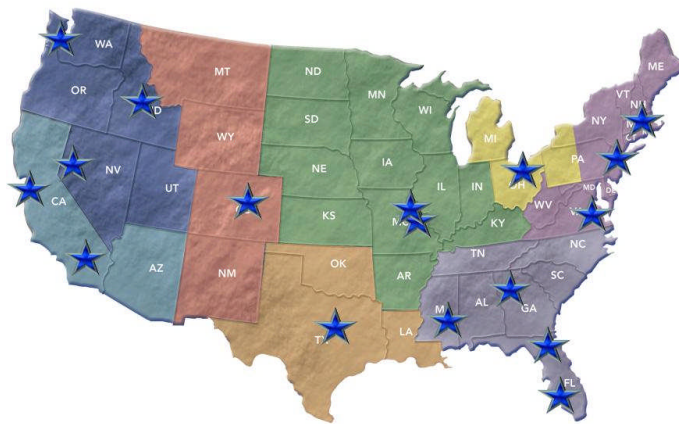
**Keefe Supply Company (Keefe): Bulk sale operations to in-house correctional commissaries**



Keefe, a member of Keefe Group, has been servicing the commissary

needs of the corrections industry since 1975. In its 36 year history, Keefe has become the leading manufacturer and distributor to the correctional market, serving 1,229 institutions nationwide. Responsive customer service, high quality products, and value have been the key reasons why customers value our offerings above those of our competitors.

Keefe and KCN currently operate 16 distribution centers totaling over 1,400,000 square feet, shipping over 22 million pounds of inventory per month, and carrying over \$68 million in inventory daily. We inventory and offer over 6,000 items specifically designed for consumption and use in the correctional environment; more commissary products than any vendor in the correctional commissary industry.



#### **Keefe Commissary Network/KCN: Provider of Outsourced/Private Correctional Commissaries**



KCN is the largest supplier of privatized commissary operations in the United States. KCN services 759 facilities across the country and serves more inmates than all of our competitors combined, partnering with over 57% of the out-sourced correctional commissary inmates nationally and over 69% on the West Coast.

Clearly, Keefe Commissary Network's experience and history illustrate why we are the undisputed Commissary Expert. No other company can match our vast and diverse customer base, 36 years of experience in the corrections industry, customizable innovative technology, or quality services and products designed specifically for the corrections market. The financial stability of KCN, as evidenced by our company history, means we are committed to the ADC success for the long term. In summation, NO other provider has the experience, history, expertise, market share or resources at their disposal to provide the best service to the Arizona Department of Corrections than Keefe Group!

Below are the highlights of KCN's history:

- KCN is currently partnered with over 750 correctional facilities nationwide totaling over 490,000 inmates, in 41 states.
- At the state level, ten entire states, totaling 200,000 inmates, have outsourced their commissary service operations. KCN has partnered with nine of the ten states (FL, AZ, VA, MS, MA, RI, WV, ID, and VT), totaling over 198,000 of the 200,000 inmates or nearly 99% of the state DOC out-sourced population.

- In the Western Region alone, we have had over 95% of our contracts renewed, extended or re-awarded in the past five years
- KCN employs over 1,700 employees with 2010 sales revenues of \$284 million.
- KCN services more inmates than all its competitors combined including: Swanson, ARAMARK, and Canteen, etc.
- During its history KCN has grown more rapidly than the market itself, increasing its market share by offering superior technology, services and product value. On the West Coast alone, KCN is partnered with over 69% of the out-sourced commissary inmate population and over 57% nationally.
- KCN's entire inmate trust accounting system is utilized by approximately 50% of our customers.

4.23.3 Include Income Statement and Combined Financial Reports covering company's last two fiscal years.

Keefe Commissary Network has included the requested financial statements under Attachment F, "Financial Documents". Keefe is a privately held company and Keefe would ask the ADC to keep these confidential.

4.23.4 The Offeror shall provide information on their experience and successes of managing inmate commissary store operations utilizing inmate labor.

KCN has provided information on our extensive experience in the correctional commissary industry. In a good number of these partnerships, including our current contract with ADC, we have utilized inmate labor. Specifically, we employ 150 inmates throughout the state of Arizona. On the previous list of accounts (Attachment T), we have noted where we utilize inmate labor

4.24 COMPLIANCE:

- 4.24.1 The Department shall have the right to inspect operations and to reasonably prompt access to examine and receive copies of all documents and records pertaining to the provision of services by a Contractor under a resultant Contract. Offeror's shall provide within their proposal response written assurance that such access shall be provided.
- 4.24.2 Identification of non-compliance with Contract terms, conditions, and requirements shall be provided to a Contractor in writing by the Contract Monitor.
- 4.24.3 If non-compliance issues, other than those identified in subsection 4.24.4, are identified or discovered by the Department, the Contract Monitor shall provide a written cure notice to the Contractor regarding the details of the non-compliance, the required corrective action, and the period of time allowed to bring performance back into compliance with Contract requirements.
  - 4.24.3.1 If, at the end of the specified time period, the Contractor has complied with the cure notice requirements, the Department will take no further action.
  - 4.24.3.2 If, however, the Contractor has not complied with the cure notice requirements, the Contract Monitor shall notify the Contractor in writing that the matter will be referred to the Chief Procurement Officer to take action against the Contractor, including but not limited to monetary sanctions, suspension, or termination of the Contract.
- 4.24.4 If the following non-compliance issues are identified or discovered, the Contract Monitor shall notify the Contractor in writing that the matter will be referred to the Chief Procurement Officer to take action against the Contractor, including but not limited to monetary sanctions, suspension, or termination of the Contract.
  - 4.24.4.1 Failure to submit timely, accurate, and complete reports listed in subsections 4.17.1 and 4.17.2.
  - 4.24.4.2 Failure to comply with Out of Stock requirements per subsection 4.14.10.1.
  - 4.24.4.3 Failure to comply with the requirements listed in subsection 4.14.9.1, regarding rectifying and correcting order errors and issuing inmate credits.
  - 4.24.4.4 Failure to meet weekly delivery requirements per subsection 4.14.2.
  - 4.24.4.5 Misrepresentation or falsification of information furnished to the Department.
- 4.24.5 The Contractor shall have ten days to appeal in writing disputing a finding of non-compliance that results in either a cure notice or a decision to refer the matter to the Chief Procurement Officer for action.

- 4.24.6 The Contract Monitor shall have ten days to make a final determination regarding the disposition of the cure notice or the decision to refer the matter to the Chief Procurement Officer for action and to provide written notice to the Contractor of the final determination.

Agreed. KCN will comply with all procedures listed in Section 4.24, Compliance.

#### 4.25 SANCTIONS:

- 4.25.1 The Department may impose monetary sanctions, suspend, or terminate this Contract as authorized under the terms of this Contract.

Acknowledged and agreed.

- 4.25.2 The Department may impose monetary sanctions for a Contractor's non-compliance with any term, condition, or requirement in this Contract.

Acknowledged and agreed.

- 4.25.3 If it is determined that a Contractor should be assessed a monetary sanction, the Chief Procurement officer shall provide written notice to the Contractor specifying the amount of the monetary sanction, the grounds for the monetary sanction, and the time frame for the monetary sanction.

Acknowledged and agreed.

- 4.25.4 Cure Notice Monetary Sanctions: Prior to the imposition of a monetary sanction for non-compliance with Contract terms and conditions, the Department may provide a written cure notice to the Contractor as detailed in subsection 4.24.3. If a Contractor has not complied with the cure notice and the Department has determined that the non-compliance does not warrant suspension or termination of the Contract, the Department shall assess the following monetary sanctions against the Contractor until the Contractor has complied with the cure notice requirements.

- 4.25.4.1 \$100 assessed for each day the Contractor has not complied with the cure notice requirements.

Acknowledged and agreed.

- 4.25.5 Automatic Monetary Sanctions: The Department shall assess the following automatic monetary sanctions for the submission of late, inaccurate, or otherwise incomplete reports listed in subsections 4.14.10.1 and 4.17.

- 4.25.5.1 \$500.00 assessed for each day past the time and date due, per complex.

- 4.25.5.2 A report shall be deemed late if received after the required due date and

time. If the due date falls on a weekend or a State Holiday, sanctions shall be assessed on reports not received by the required time on the next business day.

4.25.5.3 A report shall be deemed inaccurate if it is not prepared in conformity with Department requirements.

4.25.5.4 A report shall be deemed incomplete if all required information is not fully disclosed in a manner that is both responsive and pertinent to report intent with no material omissions.

Acknowledged and agreed. KCN shall provide complete, prompt reports to the ADC.

4.25.6 Immediate Monetary Sanctions: The Department shall assess the following monetary sanctions for the following acts of non-compliance without a written cure notice.

4.25.6.1 Failure to comply with Out of Stock requirements per subsection 4.14.10.1:

4.25.6.1.1 \$1,000.00 per item, per day beyond 14 days, per complex.

Acknowledged and agreed.

4.25.6.2 Failure to comply with the requirements listed in subsection 4.14.9.1, regarding rectifying and correcting order errors and issuing inmate credits.

4.25.6.2.1 \$100.00 per day, per inmate affected.

Acknowledged and agreed. Keefe Commissary Network will issue credits for all orders that are lost, undeliverable, returned or damaged and for any items that are missing items (due to shortages and/or errors), spoiled, returned, or damaged. We will also issue credits for inmates who were released or transferred prior to receiving their order.

Keefe Commissary Network will have our on-site staff rectify and correct any/all of these issues within 24 hours of their occurrence so they are ready for processing. The current process does not allow for us to process credits (uploads) on a daily basis. In order to process credits within 24 hours, we ask that the state grant permission to allow these daily uploads at each location. Alternative options to daily uploads would involve a real time interface or the state using our commissary and inmate banking software. If these are of interest to the state we will gladly discuss.





4.25.6.3 Failure to meet weekly delivery requirements per subsection 4.14.2.

4.25.6.3.1 \$10,000 per day, per complex.

Keefe Commissary Network understands the importance of meeting delivery requirements. We have never missed a delivery and understand the reason behind the above mentioned monetary sanction.

4.25.6.4 Misrepresentation or falsification of information furnished to the Department.

4.25.6.4.1 \$1,000 per occurrence, not to exceed \$25,000 per finding of non-compliance.

Keefe Commissary Network will never intentionally misrepresent or falsify information furnished to the state.

**5 PRICING**

- 51 Proposed pricing must represent and include all required services as stated herein. Sales tax shall not be included in the selling price for commissary items. Sales tax shall be charged based on the applicable local taxes for each institution. Sales tax returns and payments shall be the responsibility of the Contractor.

Acknowledged and agreed. Individual unit pricing quoted by Keefe Commissary Network does not include sales tax.

- 52 The Department shall not compensate for mileage.

Keefe Commissary Network understands that the Department will not compensate for mileage.

- 53 Offeror shall provide one overall percentage (%) of commission for gross/commissionable revenue from all Commissary services, to be paid to the Department. The Department shall not accept less than a minimum of 10% commission.

Keefe Commissary Network has submitted a percentage of 16% of gross revenues from all Commissary services in Section 3. Currently Keefe Commissary Network presents invoices that net the commission from the pay amount. The invoices are generated for facility business managers on the day following the applicable order or refund. We recommend this method for timeliness and efficiency, however will differ to a method the ADC desires.

- 54 The per unit prices provided on Attachment #1 shall be used to evaluate the pricing proposed by the Offeror. Offerors bidding additional items or varieties must do so by providing the additional items at the end of Attachment #1. Additional items will not be used in the evaluation of item pricing. The Department will be using the items listed and varieties on Attachment #1. The Department will consider the additional items as enhancements but will not include them into the pricing evaluation.

Acknowledged and agreed.

- 55 Offerors are required to use Attachment #1 for product and pricing information. Unit pricing shall reflect no more than four (4) decimal points out.

Acknowledged and agreed.

- 56 All prices must be submitted in accordance with A.R.S. §41-1604.02 which requires items be priced no higher than prices of similar retail products. The Department has provided a comparative retail price for most items listed on Attachment #1, Commissary Price Sheet. Items for which the Department has not provided a comparative retail price are still required to be priced in accordance with A.R.S §41-1604.02. The Department at its sole discretion may prepare its own retail comparison for evaluation purposes and assurance that prices are at or below the required statutory levels. The Department reserves its right to establish their own retail comparison and will use high retail pricing taking into consideration that pricing for the commissary services (i.e labor, warehouse, inventory, etc.) are factored into an Offerors item pricing. Locations that may be used but are not limited to for the Departments comparison are convenience markets, Circle K, 7 Eleven, Albertsons, Safeway, Walgreens, CVS etc.

Acknowledged and agreed.

NOTICE: The vendor acknowledges that all products delivered and all services rendered under any contract resulting from this solicitation shall comply in all respects to performance and delivery requirement of the specifications and shall not be adversely affected by any date-related Year 2000 issues. The vendor further acknowledges that the defense of force majeure shall not apply to its failure to perform specification requirements as a result to any date-related data Year 2000 issues.

SALES TAX PERCENT: %, (See uniform Instructions to Offerors for Formal Solicitation, Paragraph 3.11)

PROMPT PAYMENT DISCOUNT: The price(s) quoted herein can be discounted by: %, if payment is within days.

PLEASE CHECK THE APPROPRIATE SELECTION BELOW THAT APPLIES TO YOUR COMPANY:

☒ 0. Non-Small/Non-Minority/Non Disabled

☐ 1. Small Business

☐ 2. Minority Owned Business

☐ 3. Women Owned Business

☐ 4. Owned By Disable Individual

☐ 5. Small Business/Minority Owned

☐ 6. Small Business/Women Owned

☐ 7. Small Business/Disable Owner 1:1

☐ 8. Minority-Women Owned Business

☐ 9. Disable-Minority Owner Business

☐ 10. Disabled-Women Owned Business

☐ 11. Small Business/Minority-Women Owned

☐ 12. Small Business/Disabled-Minority Owned

☐ 13. Small Business/Disabled Minority-Women Owned